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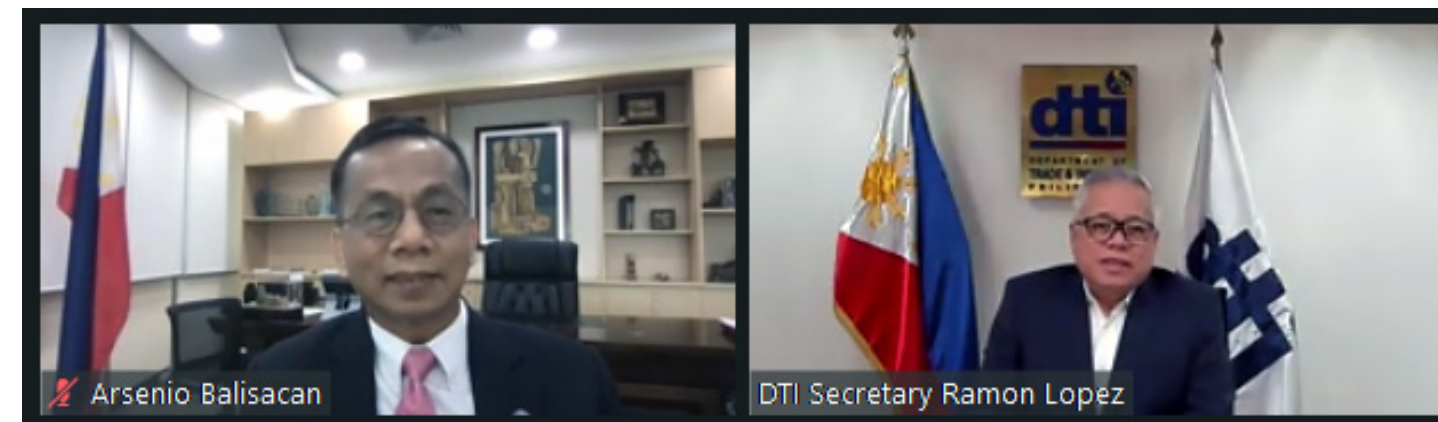
PHILIPPINE COMPETITION BULLETIN

EDITORS' NOTE

This special issue of the Philippine Competition Bulletin features key takeaways from the 2021 Manila Forum on Competition in Developing Countries (FCDC) held last February 22-23 at a time when the world was grappling with the economic fallout from the COVID-19 pandemic. With the theme “Enabling Resilient Supply Chains and Innovation Spaces in Southeast Asia’s New Normal,” the 2021 Manila Forum explored the many challenges facing supply chains across the region under the new normal and the role of competition policy in designing resilient supply chains for the long haul.

Featuring three virtual panel sessions, the Forum provided a platform for sharing of country experiences in transforming supply chains and exchanging of ideas on innovative responses to reinvigorate businesses and rebuild economies. The sessions are available for streaming at the Philippine Competition Commission’s (PCC) official Facebook page (<https://www.facebook.com/competitionph/videos>). ■

PCC CHAIR, DTI SECRETARY HIGHLIGHT PROMISE, PITFALLS OF DIGITAL ECONOMY IN A PANDEMIC



PCC Chairman Arsenio Balisacan with Trade and Industry Secretary Ramon Lopez at the opening of the 2021 Forum on Competition in Developing Countries.

The 2021 Manila Forum on Competition in Developing Countries (FCDC) kicked off on 23 February with twin messages from the heads of two government agencies tasked to enhance and promote market competition and overall economic competitiveness. Dr. Arsenio M. Balisacan, Chairperson of the Philippine Competition Commission (PCC), and Mr. Ramon M. Lopez, Secretary of the Philippine Department of Trade and Industry (DTI) underscored the promise and pitfalls of the digital economy, as they delved on the role of competition policy in enabling resilient supply chains and innovation spaces in Southeast Asia during the COVID-19 pandemic.

Balisacan noted how markets have demonstrated resilience during the pandemic by adopting technological innovations, particularly digital platforms like e-commerce and virtual communications. These platforms have enabled many businesses to transform entire supply chains, producing essential goods such as medical supplies, and shifting their procurement domestically. These digital innovations likewise have allowed continuous access to education, health, and other social services.

Notwithstanding the benefits from the digital shift, the pandemic has “exacerbated existing inequalities and even created new ones,” Balisacan said. For instance, the lack of sufficient access to medical facilities and social services in rural communities have made outbreaks in these areas more critical than in urban areas. Further, because of inadequate digital infrastructure, many households lack access to internet-enabled schooling, and smaller firms were unable to shift to e-commerce.

“Undeniably, even as the pandemic has accelerated the digital shift, it has also widened the digital divide,” Balisacan said.

According to Lopez, this is why DTI has been “supporting the greater digital participation of micro, small, and medium enterprises (MSMEs), given the growing e-commerce landscape in the country.” He cited the findings of a recent Google-Temasek study wherein the Philippine internet economy hit USD 7.5 billion in 2020, from USD 7.1 billion in 2019, growing 6% year-on-year. More new online retailers were also recorded in 2020, reaching around 80,000, because of the pandemic. Thus, DTI launched last January the

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DEEPER REGIONAL COOPERATION IS KEY TO ECONOMIC RESILIENCE – ADBI CHIEF



Mr. Tetsushi Sonobe, Dean and CEO of the Asian Development Bank Institute, discusses the impact of the pandemic and different governments' responses in his keynote address.

The long-lasting impact of the pandemic will be felt through three channels—digital platforms, green recovery, and government deficits. This was among the lessons discussed by Mr. Tetsushi Sonobe, Dean and Chief Executive Officer of the Asian Development Bank Institute (ADBI), when he keynoted the 2021 Manila Forum on Competition in Developing Countries (FCDC).

Even before the pandemic, digital platforms had begun penetrating the manufacturing sector to connect businesses to consumers (B2C), consumers to consumers (C2C), and through online to offline or offline to online (O2O) transactions. However, the pandemic has highlighted the usefulness of digital technologies or platforms. Due to mobility restrictions, people have become dependent on digital platforms to buy and sell goods and services.

In digital platform businesses, the service provided by the platform becomes more convenient as platform users increase. It then attracts more users, leading to a kind of economies of scale. Platform users place a higher value on digital platforms or applications with a greater variety of

services, a feature that may be called economies of scope, Sonobe noted.

Having both economies of scale and scope, bigger platforms tend to be stronger than small platforms, creating monopolies. “Their monopoly power is a big threat, at least potentially a big threat, to supply chains and the welfare of the consumers,” Sonobe said. With the pandemic intensifying people’s dependence on digital platforms, this threat has become even bigger.

Therefore, competition policy agencies should take appropriate countermeasures to address this threat. Given that digital platforms operate beyond national borders, countermeasures at the national level may not be enough. Regional, if not global, approaches are needed.

This explains the importance of removing the digital divide or access barriers for micro, small, and medium enterprises (MSMEs) so they can pursue digital transformation, which in turn will have a long-lasting impact on supply chains, according to Sonobe.

Green recovery

A second long-lasting impact of the pandemic has to do with green recovery. The global environment, society, and governance (ESG) investments had doubled in the past four years, reaching a new high of USD 40.5 trillion in 2020. Specifically, the global green bond market grew from USD 3 billion in 2012 to USD 200 billion in 2019, with 20% of the bonds issued in Asia and the Pacific. In South Korea, this market grew from USD 20 million in 2018 to as much as USD 12.7 billion by 2020.

With the increasing popularity of a green

economy among consumers, investors, and even corporate managers, many world leaders have committed to a green recovery. They include leaders of the European Commission and the United States who are in talks about imposing levies on imported carbon-intensive goods. Moreover, at least 68 countries already have a carbon neutrality ambition, including China, South Korea, and Japan. “One day in the future, they will shift their orders away from high emission suppliers into low emission ones,” Sonobe said. As low emission suppliers attract more investors and customers, high emission suppliers and countries will be removed from the supply chains.

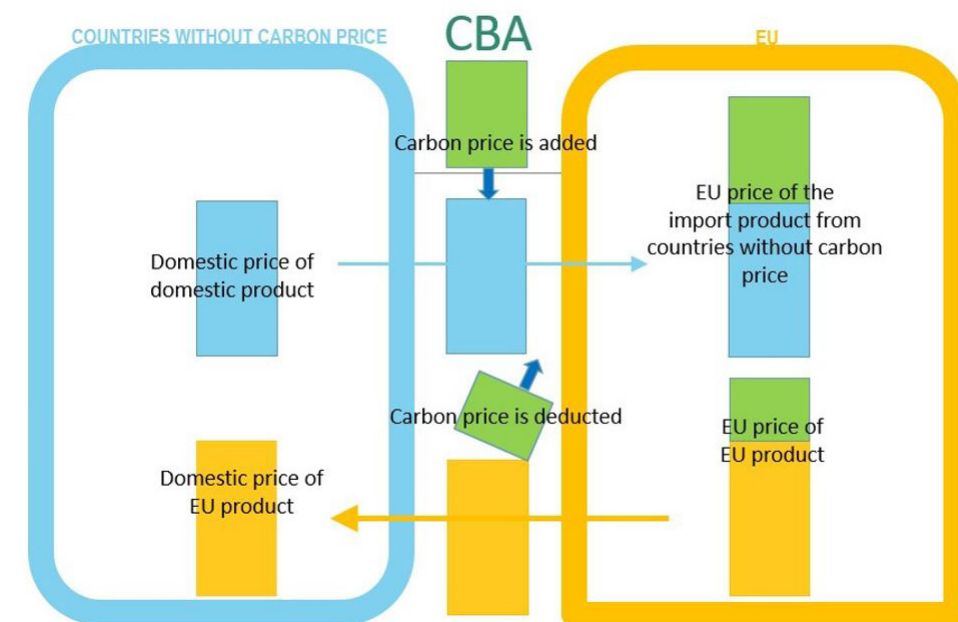
To illustrate how low emission activities will become a competitive power, Sonobe discussed the Carbon Border Adjustment (CBA), which is an Emissions Trading System (ETS) to reduce carbon emissions.

In the diagram below, the left side represents countries without a carbon price, the right side represents the European Union (EU), the blue block is the product produced by countries without a carbon price, the yellow block is the

product produced by the EU, and the green block represents the carbon price.

Sonobe explained that when a product from countries without a carbon price is exported to EU countries, a carbon price will be added at the border. On the other hand, when EU products are exported, the carbon price is deducted. This way, EU products will have no additional advantage in countries without a carbon price. Compared with the carbon price for EU products, that for products from countries without a carbon price is different because it is proportional to the carbon content. Given that countries without a carbon price have more carbon intensive goods, so much more carbon price will be added to the price of their products.

In effect, a CBA or ETS mechanism provides incentives for companies and countries to invest in green activities or solutions to enter and be competitive in markets with ETS, including the EU, Japan, US, and many more (see map on page 13 for a summary of regional, national, and sub-national carbon pricing initiatives). Hence, Sonobe urged the ASEAN to establish a regional carbon market and connect it to



Source: Tetsushi Sonobe, *Rebuilding and Rethinking Supply Chains*, 2021 FCDC

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COMPETITION POLICY IN THE FACE OF SLOWING GLOBALIZATION, CREEPING PROTECTIONISM

As the COVID-19 pandemic slowed world trade and disrupted supply chains, interest in trade protectionism has revived. Economists caution, however, that this knee-jerk response can threaten long-term economic development.

In the first of three panel discussions during the 2021 Manila Forum on Competition in Developing Countries (FCDC), Professor Prema-chandra Athukorala of the Australian National University (ANU) mapped out the trends in global production sharing and manufacturing value chains, as well as their development implications in the face of the pandemic. The panel discussants were Chairperson Kodrat Wibowo of the Indonesian Competition Authority or KPPU, Representative Stella Luz Quimbo of the Philippine House of Representatives, Dr. Suthad Setboonsarng of the Bank of Thailand, and Dr. Corazon Claudio of the Climate Crisis and Sustainable Development Network. The session was moderated by Professor Emmanuel Esguerra of the University of the Philippines.

Global production sharing has been the defining feature of world manufacturing trade in the past four decades. Athukorala explained this as the internationalization of manufacturing processes, such that the different stages or tasks of production were located in different countries. Corollary to this phenomenon is the global manufacturing value chain (GMVC), also referred to as global production networks (GPNs), a multi-country production process based on global production sharing.

An example is the manufacture of hard disk drives (HDDs). Thailand accounts for 70% of HDD world exports, which amounted to over USD 20 billion in 2018.

HDDs are not entirely made in Thailand though; nine other countries are involved in HDD production, namely, Malaysia, Singapore, China, Hong Kong, Taipei, the Philippines, US, Mexico, and Japan.

Based on United Nations statistics, developing countries' participation in the GMVC generally increased from less than 10% in the late 1980s to almost 60% in 2017.

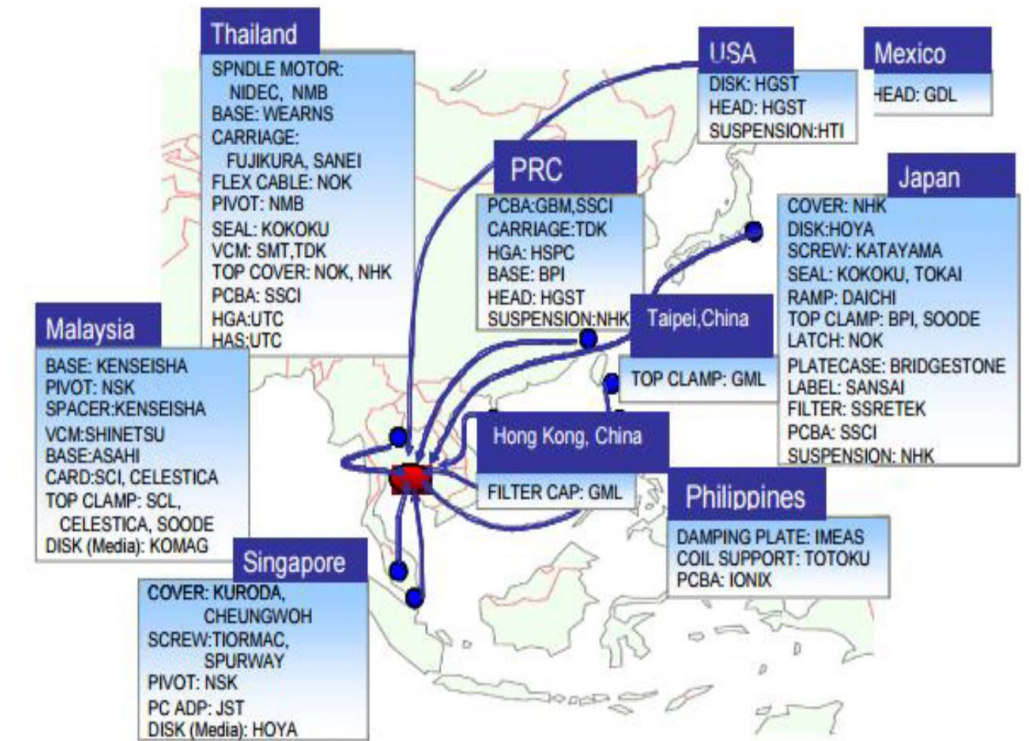
According to Athukorala, global production sharing opened up opportunities for countries to participate in an international division of labor, specializing in different slices or tasks in the production process. In a labor-abundant economy, assembly activities within GPNs tend to be relatively more labor-intensive than conventional manufacturing (i.e., within one country) of the given final product.

Prime mover

Global production sharing became the prime mover of export-led industrialization in East Asia. The successful integration of the manufacturing sector into GMVC played a role in employment generation and poverty reduction in Asian countries, such as China.

Athukorala noted that supply-chain disruptions in the past year have fueled discussions on trade protectionism. "Supply-chain disruptions caused by the COVID-19 pandemic naturally provided ammunition for the protectionist lobby. However, trade protection (inward-oriented industrialization) is a knee-jerk response that runs counter to the long-term growth and development priorities of the country," he explained.

Esguerra agreed, noting that "the pandemic has reawakened protectionist



Source: Prema-chandra Athukorala, *Global Manufacturing Value Chain and Export-Oriented Industrialisation, 2021 FCDC*

policies as governments strive to protect jobs and rescue firms." He added that it was important to realize how growth strategies will affect the domestic competitive landscape.

Quimbo noted that the Philippines is far from being industrialized. The manufacturing sector accounts for only 28% of gross domestic product (GDP), while the services sector for 61%. "A main obstacle to industrialization, including the growth of manufacturing exports, is the very fragmented policy stance towards competition," she said. While there has been progress since the enactment of the Philippine Competition Act in 2015, she noted that the policy stance on domestic competition shifted during the pandemic (e.g., on merger control), hinting the lack of appreciation of competition policy's role in economic recovery. For instance, stimulus legislation focused in the short term on expedited firm consolidation, ignoring its potential long-term impact on competition.

Setboonsarng noted that the global manufacturing value chain is a powerful

tool for profit maximization. However, efficiencies are not evenly allocated, such that smaller companies may find it difficult to grow rapidly. Competition policy therefore plays an important role in this process, especially in empowering micro, small, and medium enterprises (MSMEs). Since competition law focuses on how businesses are organized, a deeper understanding of the impact of differences in bargaining power among firms is valuable, as well as global efforts for a more competitive and fairer market environment.

Wibowo highlighted the responses of the Indonesian government to stimulate business activity, noting the importance of addressing the pandemic's impact on MSMEs. The government provided tax incentives and learning and development activities for MSMEs to encourage adoption of new approaches to production and cost-effective marketing efforts. KPPU, Indonesia's antitrust authority, relaxed its enforcement activities, particularly in relation to procurement.

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HEALTH SECTOR COMPETITION AMID THE PANDEMIC



Mr. Marcus Bezzi of the Australian Competition and Consumer Commission (ACCC) headlined the second panel of the 2021 Manila Forum. Panel reactors were Mr. Beaver Tamesis (Pharmaceutical and Healthcare Association of the Philippines), Executive Director Jaime Montoya (Philippine Council for Health Research and Development) and Professor Marjorie Pajaron (University of the Philippines).

Appropriate to the times, the second panel discussion of the 2021 Manila Forum on Competition in Developing Countries (FCDC) delved into the role of competition policy in making healthcare systems more accessible, robust, and resilient. The discussion also highlighted the actions that governments have taken to ensure sufficient supply of medical products and adequate access to healthcare services, while maintaining level playing fields in these markets. Likewise, it tackled solutions to encourage and sustain competitive conditions in the medical technologies industry, particularly in vaccine development and distribution.

Mr. Marcus Bezzi, Executive General Manager of the Australian Competition and Consumer Commission (ACCC), elaborated on the impact of the COVID-19 pandemic on government regulation. He noted that the health emergency has caused widespread economic disruption, leading to dramatic changes across all segments. Although government responses around the world have not been uniformly successful in dealing

with the pandemic, he said, “many of the more effective responses were built on quick responses, relying on expert advice supported by good communication and coordinated action with widespread community confidence and support.”

COVID-19 task force

In the case of ACCC, Bezzi shared that it established a COVID-19 task force to respond to various issues impacting Australian consumers and businesses. These included addressing consumer complaints related to cancellation of services, business scams, and exploitative business conducts, such as price gouging specifically for personal protective equipment and sanitizers. The early interventions of the task force focused on engaging directly with businesses, relevant state and federal government agencies, and consumer groups.

ACCC also authorized some business practices that may be considered anti-competitive coordination or collaboration in breach of competition law, as such

activities were likely to result in higher efficiency gains or beneficial to the public given the pandemic. “Under Australia’s competition law, the ACCC is empowered to authorize conduct that could otherwise be anti-competitive, if the conduct is likely to produce public benefits that outweigh any detriment. This in essence involves competitors getting together to coordinate their actions and share resources and information,” Bezzi said. For example, the Commission authorized some supermarkets to coordinate on distribution issues to ensure shelves of food and groceries are fully stocked. These interim authorizations, which mostly involve industries under the health sector, are considered crucial in keeping people connected and their services running well during the COVID-19 pandemic.

Bezzi said these coordination proposals were closely monitored by ACCC to guard stakeholders against any harmful effects, and may be revoked when the crisis was over. Further, he noted that the temporary measures, although crucial, must not give rise to long-term structural damage to competition or market concentration. “Competition has a critical role to play in getting the economy running again and driving economic growth and prosperity after the COVID-19 crisis,” he said.

The first of three reactors was Mr. Beaver Tamesis, President of the Pharmaceutical and Healthcare Association of the Philippines. He described the pandemic as an era of “coopetition”, as pharmaceutical manufacturers cooperate to bring the best potential vaccines and treatments during the health crisis. “It takes 14 years on average to discover and test a new

medicine before it is made available to patients, with only one to two of 10,000 substances synthesized in laboratories becoming a marketable medicine,” he said. However, through intensive collaboration among manufacturers, use of various medical technologies, and government support to vaccine development, COVID-19 vaccines became available in less than a year.

In this case, Tamesis explained that the key driver of such quick industry response was human survival, therefore COVID-19 vaccines were developed at “not-for-profit” prices and aimed at providing equitable access to medicine for all. However, intellectual property must still be protected, he said. Most manufacturers of these vaccines applied voluntary licensing, without royalties, so that local pharmaceutical companies can manufacture these products. This system has allowed collaboration among manufacturers, governments, research agencies, and other groups to expedite vaccine development and distribution.

Tamesis cautioned against price control measures, however, as overregulation hinders access to medicines and potentially distorts competition. Such measures force companies to review their operations’ sustainability and viability, which may lead to product withdrawals, discouragement of entry of new drugs, price convergence of generic counterparts, and losses in government revenues. He said price control may delay or hinder innovation. Additionally, he noted that in the Philippines, mechanisms are in place

“(T)emporary measures, although crucial, must not give rise to long-term structural damage to competition...”

- Marcus Bezzi, Executive General Manager of the Australian Competition and Consumer Commission

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BIG TECH AND COMPETITION UNDER THE NEW NORMAL



Main speaker was Prof. Thomas Cheng (University of Hong Kong). In the panel were Ms. Ana Pascual Balingit (Mynt/GCash), Prof. Christopher Monterola (Asian Institute of Management), and Usec. Rafaelita Aldaba (Department of Trade and Industry) (not in the photo). The session was moderated by PCC Comm. Johannes Benjamin Bernabe.

Disruptions in supply chains brought about by the pandemic led to an accelerated shift to digital technologies, allowing some form of business continuity and consumer access to essential goods and services. This heavy reliance on digital technology services as the pandemic dragged on has given rise to two issues: big tech's increasing market power and its possible impact on consumer welfare and inequality in the long run.

The closing session of the 2021 Manila Forum on Competition in Developing Countries (FCDC) focused on these big tech issues, with Professor Thomas Cheng of the University of Hong Kong as main speaker. In the panel were Undersecretary Rafaelita Aldaba of the Philippine Department of Trade and Industry, Ms. Ana Pascual Balingit of Mynt/GCash, and Professor Christopher Monterola of the Asian Institute of Management. The session

was moderated by PCC Commissioner Johannes Benjamin Bernabe.

Accentuated by pandemic

Inequality in access to digital technologies, while not a new concern, was accentuated by the pandemic. Cheng noted that this unequal access can lead to long-term inequality, particularly in developing countries. Two of the most documented cases were educational and occupational inequality. While the divide is in part due to occupational structure (i.e., there are sectors that are more "teleworkable"), differences in infrastructure that support remote working arrangements contribute to this divide. Cheng explained that even with the same opportunity to telework, the probability to do so was lower in developing countries than in developed countries.

This is evident in the Philippines, where the digital divide was already an issue pre-pandemic. While digital technologies have been very useful, many people have been unable to take advantage of the socioeconomic opportunities these technologies offer. Aldaba attributed this to the country's weak digital infrastructure. "Our industrial strategy focuses on innovation and embracing these new technologies, but to make this happen, we need to build the digital infrastructure; we need to address the regulatory constraints that limit competition in telecommunications and logistics, along with skills development and digital training to upgrade our workforce," Aldaba said.

Consumer reliance

Prior to the pandemic, Cheng noted that discussions on big tech and market power centered on EU cases. While the pandemic will affect the competitive landscape in many industries, the sudden and increased consumer reliance on tech services has made market concentration in the big tech industry a more prominent concern. "To the extent COVID-19 has contributed to their market power, big tech would be in a position to charge higher prices both to consumers and their business partners," Cheng explained.

The increasing demand for tech services will encourage more firms to enter the market. However, even if new firms have spotted these opportunities, significant barriers to entry still exist in the market where big tech operates, according to Cheng. These include costs of acquiring infrastructure, difficulty of hiring experts, and miscellaneous sunk costs.

Regulatory environment

In the case of GCash, a digital payment app in the Philippines, a favorable regulatory environment helps facilitate new entrants in the market, according to Balingit, who

heads business development at GCash. "This is a very heavily regulated industry. It's like a dance between trying to provide these safeguards so that no one player becomes too big and making them in a manner so that companies like ours can innovate and provide services," Balingit said.

In the context of micro, small and medium enterprises (MSMEs), Monterola, a data scientist and an entrepreneur himself, suggested establishing a shared facility for MSMEs. Such facility will provide MSMEs access to big tech, data science, and other critical technologies (e.g., artificial intelligence). He noted that this is critical in levelling the playing field and could address the divide on access to tech services.

Long-term impact

The long-term impact of big tech's response to consumer welfare remains to be seen. However, as big tech companies are said to be increasingly able to charge monopoly prices, consumer welfare may suffer in the long run. Further, greater market concentration is also feared in many industries, as a number of small businesses are forced to shutter during the pandemic. Meanwhile, large producers—with better access to funding and can afford big tech services—can capture the benefits of reduced production costs.

In the long run, Cheng noted that greater market concentration could lead to higher prices for consumers, and highlighted the role of competition law in assessing harmful firm behavior. "If COVID-19 does lead to greater market concentration, it is important to remember that competition law does not penalize dominance or substantial market power or market concentration. It penalizes abuse of such market power," he stressed.

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e-Commerce Roadmap to develop and promote e-commerce in the country, with the end-goal of bringing the share of e-commerce to the economy to 5.5% by 2022.

Making supply chains more resilient against future economic shocks safeguards the poor from sharp increases in price or sudden shortages. It also allows for continuous access to healthcare and other social services, keeps workers employed, and guarantees a steady flow of income despite the disruptions.

While digital innovation significantly contributes to building supply chain resiliency amid the crisis, “we must also keep in mind the specific risks they present to the competition landscape, consumer welfare, and inclusivity,” Balisacan cautioned.

He explained that firms may be induced to resort to anti-competitive behavior in order to recoup losses or maintain profit margins. Struggling firms either shuttered or merged in an attempt to recover, resulting in increased market concentration that can lead to a corresponding rise in market power. Abuse of market power poses risks to consumer welfare in the form of higher prices, lower quality, or less innovation. Protecting consumer welfare in light of increasing dependence on digital

Competition policy... continued from page 7

In the Philippines, some government recovery measures leaned toward protectionism (e.g., mandated preference for domestic manufacturers in the procurement of medical supplies). Quimbo said this was justified to help local businesses during the pandemic, especially as government economic stimulus packages were very lean.

platforms therefore requires a holistic approach, of which competition policy is a key component. Balisacan warned that “policy responses, if not carefully crafted, could lead to unintended consequences like lessened competition, increased market concentration, and distorted market structures.”

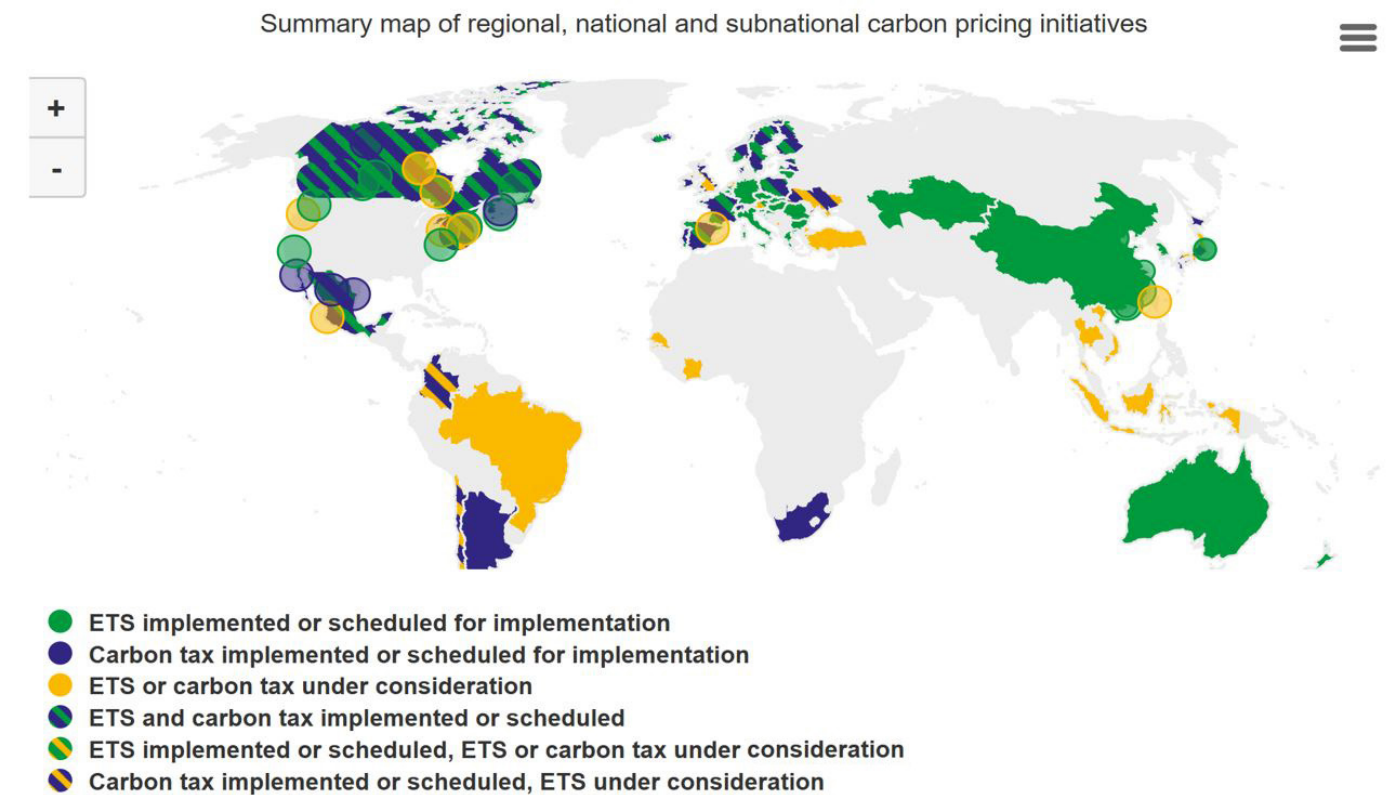
For its part, DTI remains committed to strengthening the country’s competitiveness by adhering to the principles of competition, supporting liberalization, and the further opening of markets, Lopez said. The initiatives spearheaded or supported by DTI include tariff liberalization, retail trade liberalization, inclusive innovation and entrepreneurship, strengthening linkages of local industries in both domestic and global value chains, development of e-commerce particularly for the MSME sector, and pro-competition policy reforms.

“By adhering to the principles of competition and liberalizing trade and investment, we will have more efficient and innovative companies, with technology helping to enhance their efficiency, bring down cost, and improve their output,” said Lopez.

Likewise, Balisacan stressed that “a recovery anchored on competitive processes will build a robust foundation for sustained and inclusive growth.” ■

On the other hand, Claudio reminded forum participants that as the economy recovers from the COVID-19 pandemic, the country must prepare for a climate crisis. Noting that the “climate crisis is a far greater risk,” she emphasized the need for a resilient, inclusive, climate-smart, and healthy sustainable development. ■

other ETS in the future, such as the EU and US.



Source: Tetsushi Sonobe, *Rebuilding and Rethinking Supply Chains*, 2021 FCDC

Government deficits

The third long-lasting impact of the pandemic has to do with the rapid increase in government debts. Sonobe explained that even as governments across the world needed more tax revenues, some multinational companies, which had been earning profits even during the pandemic, did not pay much tax. For example, these companies were making money by using data about consumers, without compensating the latter. Recently, governments have been trying to collect more taxes from multinational companies, especially those operating digital platforms. However, this has proven difficult to do because many of these companies operate on a very large scale in countries where they do not have any physical presence.

In this regard, tax authorities and international organizations, especially the Organisation for Economic Co-operation and Development (OECD), have been working together to create a new international rule on taxation. Although difficult, Sonobe said that international coordination is very important in this matter because the supply chain will be destroyed if the different governments implement multiple taxes.

Note: Mr. Sonobe also discussed how industry variety determined the impact of the pandemic on different economies, as well as the responses of governments to ensure functioning supply chains, particularly the Regional Comprehensive Economic Partnership (RCEP). These were featured in the [Philippine Competition Bulletin Issue No. 21](#). ■

under the Universal Healthcare Act and Cancer Control Act to ensure vibrant competition in the industry. "Government-industry collaboration is crucial to creating a competitive business environment conducive to innovation," he added.

Professor Marjorie Pajaron of the University of the Philippines also noted these concerns on price control measures. "As imports come in to eventually meet the excess demand (for protective equipment), the government should let the market stabilize," she said.

Representing the Philippine Council for Health Research and Development, Executive Director Jaime Montoya shared that the Department of Health held discussions with medical suppliers and industry players, together with other partner agencies such as the Department of Science and Technology and the Department of Trade and Industry, to identify the country's challenges in addressing the shortage of medical supplies due to the COVID-19 pandemic. This prompted the identification of suitable substitutes or local alternatives.

Local alternatives

Due to the surge in demand for medical provisions, many companies, particularly MSMEs, diversified their product lines to produce local alternatives for such products. "For example, we do not have a local company that manufactures ventilators. Companies then decided to venture into this area with help from scientists, both local and abroad. They had to comply, however, with the regulatory requirements set by the Food and Drug

Administration," Montoya explained. Montoya also highlighted the lack of local manufacturing industries for vaccine development. Given this, domestic players had to negotiate with foreign vaccine manufacturers to become licensees of such technology. However, local companies have to be ensured of a steady demand to cover the high investments required. Another issue pertains to government processes and other regulatory measures that may be perceived as hurdles, such as strict bidding requirements, together with certification requirements by the World Health Organization and other regulatory bodies.

"The government has to put in place an enabling environment for the health care industry to prosper and grow," Montoya said. "We are so used to relying on foreign technology which usually qualify in a government tender to the detriment of local industries that usually have to invest more and comply with stricter regulations. There has to be a balance in having a level-playing field for all technology developers but at the same time encouraging locally developed products and services to grow and participate in the health industry domain." ■



Aldaba added that a well-informed approach to competition policy is critical in examining abuse of market power in the tech industries. She noted that "with or without a pandemic, it is important to adopt a more nuanced and balanced approach to antitrust policy, focusing less on market structure and more on business conduct, and looking beyond short-term effects on prices and profits, to longer-term effects on efficiency and innovation."

Increasing market power

Varied attempts have been made to address the increasing market power of big tech in advanced economies, such as through increased enforcement action based on existing antitrust law and proposed legislation.

In the EU, the Digital Market Act ensures open access to gatekeeper platforms and

prevents tying and bundling. It establishes obligations for gatekeeper platforms, such as allowing business users to access the data they generate in their use of the platforms and to conclude contracts with their customers outside the platform.

In the US, there is a proposed legislation that will mandate structural separation (e.g., Apple and the "Apps" market), line of business restriction, prohibition of self-referencing (e.g., Google search and its own products), and promotion of interoperability.

Cheng said that authorities' attempts to resort to new legislation may suggest that enforcement under existing law is "probably not up to task" in addressing competition concerns emerging in the big tech industries. ■

Competition policy's role in recovery

In closing the 2021 Forum on Competition in Developing Countries, PCC Commissioner Emerson B. Aquende underscored the role of competition policy in post-pandemic recovery. "The Manila Forum serves as the public venue to disprove the false notion that competition law ought to be sacrificed and set aside for the cause of economic recovery. The Manila Forum has settled the doubt that competition law is not a hindrance to, but is necessary to create the favorable environment for economic recovery to take root and thrive."





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