

PRESS RELEASE

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PCC: Let market forces dictate prices, not SRPs

The Philippine Competition Commission (PCC) supports the Department of Trade and Industry (DTI) in deregulating prices as they monitor price movements regularly.

“For the longest time, the DTI through the National Price Coordinating Council has been setting prices that guide both consumers and suppliers. But now that we have the Philippine Competition Act, we support DTI in its efforts to promote industry efficiency and consumer welfare by allowing market forces to dictate the prices of goods instead of issuing Suggested Retail Prices or (SRPs),” Chairman Arsenio M. Balisacan said.

The Philippine Competition Act prohibits businesses to collectively fix, directly or indirectly, purchase or selling price or impose other trading conditions that substantially prevent, restrict, or lessen competition.

The current practice of approving Suggested Retail Prices may potentially be an anti-competitive act that needs to be studied considering the nature, conduct or performance of each industry as well as other factors affecting the prices of goods and services.

PCC will look into price movements whether they are simply reflecting basic supply and demand forces or if they are reflecting anti-competitive practices.

“When prices move, we must assess if the movement is due to certain changes in the market, say, changes of condition of inputs, or if the movement reflects collectively organized or coordinated efforts like collusions or cartels,” Balisacan said.

In developing a culture of competition, the antitrust authority is looking forward to forging a partnership with DTI, aside from other regulatory agencies in pursuit of its mandate.

“The PCC and DTI are in the process of drafting a memorandum of agreement toward a partnership leading to effective enforcement of the competition policy, thereby advancing consumer welfare,” he said.

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