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PHILIPPINE COMPETITION BULLETIN

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Ensuring businesses compete and consumers benefit



(front, L-R) PCC Director Benjamin Radoc, Jr.; ASEAN Secretariat Competition Policy and Law Officer Karina Miaprajna Utari; ASEAN Secretariat Consumer Protection Officer Putu Prima Apri Swajaya; ASEAN Secretariat Assistant Director of Competition, Consumer Protection and IPR Division Thang Luong; PCC Commissioner Michael Peloton; PCC Commissioner Marah Victoria Querol; PCC Chairperson Michael Aguinaldo; PCC Commissioner Ferdinand Negre; PCC Executive Director Kenneth Tanate; Competition Commission Brunei Darussalam (CCBD) Acting Head Heidi Farah Sia Abd Rahman; Cambodia Competition Commission (CCC) Director Meng Songkheang; Lao PDR's Ministry of Industry and Commerce (MIC) Deputy Director Syfong Soumontha; and Lao PDR's MIC Technical Officer Thatdaovy Sykhasermkhiem! (back, L-R) Competition and Consumer Commission of Singapore (CCCS) Senior Assistant Director Eugene Chen; CCCS Acting Director Yvette Yong; Vietnam Competition Commission (VCC) Official Pham Thi Thuy Nga; Trade Competition Commission of Thailand (TCCT) Director Akarapon Houbcharaun; TCCT Trade Competition Analyst Chawit Punyaritthisanee; PCC Policy Research Officer Jestoni Olivo; VCC Senior Official Quang Khanh Tieu; CCC Deputy Director Dok Phiwath; CCBD Economic Officer Nur Izzawanie Zainin; Malaysia Competition Commission (MyCC) Assistant Director Irdina Zafira binti Azahar; and MyCC Assistant Director Muhammad Syairazi Bin Md. Aliman during the AEGC Meeting held in Cebu City last October 9-13.

Philippines hosts 31st ASEAN Experts Group on Competition Meeting in Cebu

■ ■ ■ Paul Jeffrey M. Ballentos

Last October 9-13, the Philippine Competition Commission (PCC) hosted the 31st ASEAN Experts Group on Competition (AEGC) Meeting and Related Meetings in Cebu. The AEGC sought to tackle the myriad of emerging issues that continue to alter the landscape of competition regulation across the region.

“Geopolitical tensions, environmental concerns, and the rise of the digital economy have realigned our supply chains and changed the economy as we know it,” PCC Chairperson Michael Aguinaldo said during his opening remarks. “With these challenges come new competition concerns—putting all of us in uncharted waters. How do we move forward when much of the knowledge we have applies to a world that perhaps no longer exists?”

Amid these challenges, the AEGC remains steadfast in upholding competition policy to promote a healthy and robust regional market. The AEGC developed the ASEAN Competition Action Plan (ACAP) 2016–2025, which serves as a guide for the group to achieve a competitive,

innovative, and dynamic ASEAN with an effective and progressive competition policy.

The ACAP 2025 enumerated several strategic goals, including establishing effective competition regimes in all ASEAN Member States, conducting capacity-building activities among competition-related agencies towards a more robust enforcement of national competition laws, setting up regional cooperation arrangements on competition law and policy (CLP), raising public awareness on market competition, ensuring greater harmonization of CLP in the ASEAN, and continually enhancing all competition regimes according to international best practices.

During the meeting, the PCC highlighted its activities for promoting competition awareness in the ASEAN. One of the agency’s major initiatives for 2023 was the co-hosting of the 10th ASEAN Competition Conference (*This was subsequently held on November 29–30 in Manila*). With the theme, “From Innovation to

Impact: Synergizing Antitrust and Intellectual Property (IP) Regulation for a Stronger ASEAN,” the conference explored the interplay between market competition and intellectual property regulation.

Aguinaldo reminded the AEGC of the importance of implementing policies which are responsive to the needs of stakeholders. “As we are two (2) years away from the conclusion of the ACAP, we are about to embark on another comprehensive task of assessing its impact since the start of its implementation in 2016. We will need to carefully assess future trends and emerging issues in competition policy and law and identify initiatives to respond to them,” he said.

Established in 2007, the AEGC is composed of competition authorities and government agencies in the ASEAN, committed to establishing effective institutional mechanisms in support of CLP implementation in the region. The conduct of AEGC meetings serves as a platform for its members to discuss and coordinate their competition policies, thereby strengthening linkages among ASEAN competition authorities and development partners. ■



(clockwise) PCC Chairperson Michael Aguinaldo, Commissioner Lolibeth Medrano, Executive Director Kenneth Tanate, and Economics Office Director Benjamin Radoc, Jr. attended the AEGC Meeting held in Cebu City last October 9-13.

PCC Holds Culminating Workshop on Fostering Digitalization through the National Competition Policy

■ ■ ■ By Marian Christine P. de Leon



DICT Director Adrian Echaus presenting the Digital Terrestrial Television Broadcasting Migration plan during the last leg of the FDTNCP workshop held last November 6.

The Philippine Competition Commission (PCC), in partnership with the National Economic and Development Authority (NEDA), held its culminating activity last November 6 for the Fostering Digitalization through the National Competition Policy (FDTNCP). This project aims to elevate digitalization through policies that facilitate healthy competition.

Preceding this workshop, comprehensive competition impact assessments (CIAs) were conducted by the Department of Information and Communications Technology (DICT) and the National Telecommunications Commission (NTC), focusing on policies influencing digital terrestrial television broadcast, the construction of common-use telecommunication towers, cloud technology, and other value-adding services. These assessments were presented during the said workshop.

Digital Terrestrial Television Broadcasting Migration

The DICT, in collaboration with industry stakeholders, has devised a comprehensive Digital Terrestrial Television Broadcasting (DTTB) Migration Plan, which aims to transition the nation from analog to digital TV broadcasting. DICT Directors Marivic Castro and Adrian Echaus presented the plan, covering policy, regulatory, technical, fiscal, and consumer support measures to ensure a smooth transition.

Construction of Common Telecommunication Tower

Presented by DICT Director Ma. Christina Abalos-Naig, the Rules on the Accelerated Roll-Out of Common Towers in the Philippines were initiated in 2019 by the DICT, with the goal of enhancing national connectivity. Under the leadership of then Acting Secretary Eliseo Rio, Jr., this initiative aligns with broader policies aimed at achieving universal internet

access. However, despite collaboration with 20 independent tower companies (ITCs), concerns regarding barriers to competition and regulatory frameworks have prompted a reassessment. The proposed amendments primarily focus on lowering requirements and introducing mechanisms to promote fair competition, with a strong emphasis on ensuring universal access to quality ICT services.

Cloud Technology

In the presentation by DICT Directors Castro and Echaus, the government's Cloud First Approach, outlined in Department Circular 002-2017, is highlighted as a significant step toward modernizing its information infrastructure. The DICT's GovCloud plays a crucial role in facilitating access to cloud infrastructure for government agencies. Nevertheless, challenges such as ambiguity in the policy's status, potential function overlaps, and the absence of a monitoring database were identified during the assessment. The proposed registration process for cloud service providers (CSPs) was also discussed, aiming to streamline procurement, but raising concerns about competition. To address these issues, the presenters recommended revising the policy to clarify overlapping functions, creating a centralized database, and reassessing the effective implementation of the department circular.

Value-Added Service

In the telecommunications sector, achieving fair competition among value-added service (VAS) providers and public telecommunications

entities (PTEs) is a central concern, as highlighted by NTC Regulation Branch Director Imelda Walcien. According to the Public Telecommunications Policy Act, a VAS provider refers to an entity which, "relying on the transmission, switching and local distribution facilities of the local exchange and inter-exchange operators, and overseas carriers, offers enhanced services beyond those ordinarily provided for by such carriers." VAS may include mobile banking and payment services, mobile content services, messaging services, data packages and promotions, entertainment services, roaming services, location-based services, and cloud services, among others.

During her presentation, Walcien discussed how a comprehensive policy framework is being advocated, anchored on market analysis, regulatory reviews, and global best practices. Yet, challenges still include restrictive prerequisites in facilities lease agreements, potentially leading to monopolization. To address these issues, robust enforcement in the upstream wholesale market is proposed, aiming for a balance that grants VAS providers the freedom to compete without unjust hurdles.

The whole-of-government approach takes center stage as a catalyst for digitalization through the National Competition Policy (NCP). Spearheaded by the PCC, this strategy encourages government agencies, regulatory bodies, and local government units to infuse competition principles into their policies and regulations. Integral to this approach is the critical review of existing policies inhibiting competition, with a focus on removing barriers to new market players and curbing collusion. ■



PCC Chairperson Michael Aguinaldo welcomes the participants to the culminating day of the FDTNCP workshop on November 6.

PCC, PCCI in high-level talks to enhance partnership agreement

■ ■ ■ *By Lea Marie F. Diño*

Top officials of the Philippine Competition Commission (PCC) met with members of the board of the Philippine Chamber of Commerce and Industry (PCCI) to discuss potential areas of collaboration to promote fair market competition.

In an executive session held on September 28, the competition regulator and the country's largest business group discussed ways to level up the partnership they forged at the height of the COVID-19 pandemic in 2020. That Memorandum of Understanding (MoU) sought to facilitate cooperative activities such as seminars and conferences and foster capacity-building projects between the two entities.

A key strategy discussed was the Competition Advocacy Pledge, a component activity of the PCC's Champions of Competition (COC) Program. The Pledge encourages individual firms and trade associations to join a network of businesses that promote competition. In doing so, pledgees would help other members of the business community to comply with the Philippine Competition Act, apart from pushing for policy reforms that would ensure fair competition in different markets.

Majority of the Chamber's members, according to PCCI President George Barcelon, are small and medium-sized enterprises (SMEs) who compete with bigger businesses in their respective industries, and struggle with high

operating costs and multiple regulations. Barcelon likewise reiterated the importance of PCC's hand in ensuring a level playing field in different markets.

PCCI Secretary-General Ruben Pascual responded with the group's openness to engage in advocacy efforts for market competition, as well as partnerships that will benefit PCCI's 3,000-strong membership base.

"The PCC exercises authority over a rather wide jurisdiction, seeking to enforce competition law across various sectors and industries. Pursuing our mandate would not be possible without consultations with our stakeholders, such as the PCCI, to ensure that our goals and targets are aligned with their respective markets we are tasked with monitoring," said PCC Chairperson Michael Aguinaldo.

PCC Executive Director Kenneth Tanate also provided a refresher on the mandate of the PCC and its ongoing capacity-building activities for businesses and entrepreneurs in different industries.

The PCCI is a non-profit organization comprised of small, medium, and large enterprises in the Philippines and is the sole official representative of the private business sector in the country. The group's president sits as a private-sector representative in the Legislative-Executive Development Advisory Council. ■



(L-R) PCC Communications and Knowledge Management Office Director Arnold Tenorio, Executive Director Kenneth Tanate, Commissioners Ferdinand Negre, Lolibeth Ramit-Medrano, and Marah Victoria Querol, and Chairperson Michael Aguinaldo met with PCCI President George Barcelon, Philippine Retailers Association President Roberto Claudio, PCCI Chairperson for Agriculture and Fisheries Paul Cuyegkeng, Philippine Exporters Confederation Inc. Vice President for Advocacy Flordeliza Leong, and PCCI Secretary-General Ruben Pascual at the Executive Session held on September 28.

Mindanao Investigation Station opens in Davao City

■ ■ ■ By Lea C. Gomez



PCC Chairperson Michael Aguinaldo (center) and (first row, L-R) PCC Commissioners Ferdinand Negre, Marah Victoria Querol, Michael Peloton, and Lolibeth Ramit-Medrano led the inauguration and ribbon-cutting ceremony of the PCC Investigation Station (i-Station) in Davao City on September 20. They were joined by (second row, L-R) Directors Jerson dela Torre, Joseph Melvin Basas, and Executive Director Kenneth Tanate.

On September 20, the Philippine Competition Commission (PCC) inaugurated its investigation station (i-Station) in Davao City, marking a significant milestone in bringing the agency's services closer to stakeholders in the southern region.

PCC Chairperson Michael Aguinaldo emphasized the strategic importance of the new i-Station: "The opening of an i-Station here [in Davao City] strengthens PCC's presence in Mindanao and reaffirms its commitment to fostering economic growth and consumer welfare in areas outside the National Capital Region (NCR)." He expressed the PCC's dedication to creating a business environment where competition thrives, leading to improved products and services, lower prices, and wider choices for Filipinos.

Located on the fourth floor of the Pink Walters Building along Quimpo Boulevard, the Davao i-Station will serve as the PCC's

temporary workstation in the region until the establishment of a permanent regional office. It will facilitate the conduct of investigations and promotion of competition policies, ensuring that businesses and consumers in Mindanao benefit from a fair and competitive market.

Following the launch of the Davao i-Station, the PCC also organized the i-Station Conference on Market Competition in the Tourism Sector to enhance public awareness on competition law and policy and encourage stakeholder engagement in ensuring competitive markets in the area.

The Davao i-Station is the third regional outpost of the PCC to open, following the inauguration of the Baguio i-Station in November 2021 and the Legazpi i-Station in June 2022. ■

Enhancing Local Governance through Competition Law and Policy Webinar

■ ■ ■ By Lea C. Gomez



(L-R) PCC Executive Director Kenneth Tanate, Communications and Knowledge Management Office Directors Arnold Tenorio and Ferdinand Paguia, and economist Samantha Nepomuceno served as resource speakers at the CLP Webinar Executive Session for Local Chief Executives on September 14.

With the goal of raising awareness about competition law and policy (CLP) among new local chief executives, the Philippine Competition Commission (PCC) facilitated a CLP Webinar Executive Session with Local Chief Executives last September 14, in collaboration with the Department of Interior and Local Government - Local Government Academy (DILG-LGA).

Attended by around 200 local chief executives, Sanggunian members, and local government

staff, the webinar aims to advocate for fair market competition and provide a platform for local government units (LGUs) and their constituencies to share best practices in incorporating CLP in their ordinances.

Participants also engaged in discussions involving compliance to the Philippine Competition Act (PCA), implementation of the National Competition Policy (NCP) at the local level, and the conduct of competition impact assessments in their respective units. ■



Digitalization-Competition Nexus Discussed in PH Economists' Conference

■ ■ ■ By Paul Jeffrey M. Ballentos

The Philippine Competition Commission (PCC) put the spotlight on the role of competition law and policy in digitalization efforts during the 61st Annual Meeting and Conference of the Philippine Economics Society (PES).

In the PCC-sponsored plenary session entitled “Digitalization and Competition Policy: Challenges and Opportunities,” panelists discussed how rapid digital transformation opens doors for businesses to expand and innovate, but also creates new challenges for regulators and competition authorities.

PCC Commissioner Ferdinand Negre moderated the session with the aim of understanding the role of the PCC in accelerating digital transformation and improving economic conditions for micro, small, and medium-sized enterprises (MSMEs).

Department of Trade and Industry (DTI) Undersecretary Rafaelita Aldaba explained that competition law and policy is pivotal in realizing digital transformation in the country. “For a healthy digital economy, the country needs not only the establishment of digital infrastructure but also affordable, reliable telecommunications services,” she said. She also shared how the Philippines needs a conducive regulatory environment to build consumer trust and boost trade by reducing the cost of doing business.

In her presentation, Aldaba highlighted the governments’ initiatives to support MSMEs by improving their digital readiness through their participation in digital skills training, access to finance such as loans and other financial programs, improved digital infrastructure, and information-sharing.

The private sector has also contributed to bringing digital transformation closer to MSMEs in rural areas. Fintech Alliance Founding Chairperson Lito Villanueva shared the initiatives of a local bank in bringing digital finance to far-flung areas.

The promotion of competition and improvement of regulatory efficiency are among the focus areas in the Philippine Development Plan 2023-2028, which took centerstage at the 61st PES Conference held on November 7-8 in Quezon City. ■



PCC Commissioner Ferdinand Negre moderates the plenary session where DTI Undersecretary Rafaelita Aldaba and Fintech Alliance Founding Chairperson Lito Villanueva served as resource speakers at the 61st Philippine Economics Society Annual Meeting and Conference in Quezon City on November 8.

IN THE NEWS

[PES confab to tackle steps toward PH DevPlan success](#)

The session will be followed by a discussion on challenges and opportunities for digitalization and competition policy by the Philippine Competition Commission (PCC). The founding Chairman of the Fintech Alliance, Lito Vilanueva, Trade and Industry Undersecretary Rafaelita Aldaba, and Atty. Jose Jesus Disini of the University of the Philippines-College of Law will lead the discussion, to be moderated by PCC Commissioner Ferdinand M. Negre.

(Business Mirror, 30 October 2023)

[NEDA says: Pro-competitive policies in digital markets essential](#)

The National Economic and Development Authority (NEDA) stressed the importance of pro-competitive policies and regulations in digital markets to ensure accessible, high-quality digital services and products for both Filipino consumers and businesses.

(Angela Celis, Malaya Business Insight, 09 November 2023)

[PCC launches investigation station in Cebu](#)

The Philippine Competition Commission (PCC) has launched its new investigation station (i-Station) in Cebu as part of efforts to strengthen competition enforcement in the Visayas.

(Louella Desiderio, Philippine Star, 22 November 2023)

PCC Empowers Aspiring Lawyers with Bar Lecture Campus Tour

■ ■ ■ *By Marian Christine P. de Leon*

In its efforts to prepare future lawyers, the Philippine Competition Commission (PCC) held Bar review lectures at the De La Salle University Tañada-Diokno School of Law (DLSU-TDSOL) on November 7 and at Manuel L. Quezon University School of Law (MLQU-SOL) on November 25.

Spearheaded by the Office of Commissioner Ferdinand Negre, the reviews focused on the key provisions of the Philippine Competition Act (PCA), specifically on anti-competitive agreements, abuse of dominant position, and anti-competitive mergers and acquisitions. The lectures also emphasized the difference between consumer protection and consumer welfare in the context of the PCC's mandate to address common misconceptions regarding market competition. ■



PCC Commissioner Ferdinand Negre (top, right) led the conduct of bar review lectures at DLSU-TDSOL and MLQU-SOL last November 7 and 25, respectively. PCC Competition Enforcement Office Director Christian De Los Santos (bottom, left) served as one of the resource speakers.

PH merger control underscored in international conference

■ ■ ■ By Lea Marie F. Diño

The Philippine Competition Commission (PCC) shared its expertise on merger control in the Concurrences conference themed “Antitrust in Asia: One Size Fits All?” held last October 26 in Hong Kong.

Mergers and Acquisitions Office (MAO) Assistant Director Michael Kris Ben Herrera served as a panelist in the session titled, “Merger Control: New Challenges Across Asia-Pacific,” joining Yan Yu of economics consultancy RBB Economics and Emanuela Lecchi of University of Dundee, with Dayu Man of law firm Clifford Chance as moderator.

Discussing Philippine merger control trends, Herrera said notification thresholds become an important screening tool to determine which transactions will require the intervention of competition agencies. In the Philippines, the current notification thresholds are set at PHP 7 billion for size of party and PHP 2.9 billion for size of transaction.

Herrera also shared that conglomerates in the Philippines are often family-owned businesses that expand in different sectors. Thus, in merger reviews, the PCC considers the level of control and influence that top executives exert over subsidiaries of merging parties as well as entities in other related industries.

He likewise shed light on the agency’s approaches in competition and merger concerns, particularly in keeping an open line of communication with parties in transactions and through the recent publication of guidelines on motu proprio review for mergers and acquisitions in the digital sector.

Apart from merger control, the event also featured discussions on foreign direct investment regulations and enforcement of antitrust law in the pharmaceutical industry. The conference was co-organized by the Hong Kong Competition Commission and the Chinese University of Hong Kong, in partnership with Baker McKenzie, Clifford Chance, Dentons, Meta, and RBB Economics. ■

IN THE NEWS

CJ Gesmundo on intellectual property rights: Courts must prevent misuse to create monopolistic, anti-competitive market conditions

Chief Justice Alexander G. Gesmundo said that courts must balance and interpret laws on intellectual property (IP) rights to safeguard and prevent “misuse in creating monopolistic or anti-competitive market conditions”.

(Rey G. Panaligan, Manila Bulletin, 30 November 2023)



PCC MAO Assistant Director Michael Herrera served as a resource speaker in a Concurrences panel on merger control held in Hong Kong on October 26. Photo courtesy of Powerful Color Image.



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