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PHILIPPINE COMPETITION BULLETIN

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Courtesy of PNP



**PHILIPPINE
COMPETITION
COMMISSION**

Ensuring businesses compete and consumers benefit

INTERNATIONAL COMPETITION AGENCIES C

by: Ryan Israel T. Advincula



Department of Finance Undersecretary Bayani Agabin delivers the keynote speech on behalf of Secretary Carlos Dominguez III.



OECD Competition Committee Chairman Frederic Jenny and University of Melbourne Professor Allan Fels

Being one of the youngest competition authorities in the world did not prevent the Philippine Competition Commission (PCC) from leading its international counterparts in a dialogue on the theory and practice of competition law and policy from a developing country perspective.

In organizing the 2018 Manila Forum on Competition in Developing Countries last February 1-2, the PCC provided a platform for young competition authorities in the Asia-Pacific to effectively integrate into the global discourse on competition and learn from the cross-cutting experiences of developed and developing jurisdictions.

“Developing countries, such as the Philippines, face unique challenges in the design and enforcement of competition policy appropriate for their economic, institutional, and legal conditions,” said PCC Chairman Arsenio Balisacan of the initiative. The event coincided with the second founding anniversary of the PCC.

The PCC was formally established on February 1, 2016 after its implementing law—the Philippine Competition Act (Republic Act No. 10667)—was enacted in 2015.

Hundreds of competition law and economics experts and key stakeholders in the business community, government, academe, and multilateral development institutions participated in the two-day event.



PCC officials with development partners and representatives from other competition authorities.



PCC Commissioner Stella Quimbo (leftmost) moderates the session on SMEs and competition policy. On the panel are Australian Competition and Consumer Commission Deputy Chair Michael Schaper, Presidential Adviser for Entrepreneurship and Go Negosyo founder Joey Concepcion III, Competition Commission of Hong Kong Chief Executive Officer Brent Snyder, and Philippine Institute for Development Studies research fellow Erlinda Medalla.



CONVENE AT INAUGURAL MANILA FORUM

Forum Proper

The opening session on February 1 was led by Asian Development Bank chief economist Dr. Yasuyuki Sawada, establishing the framework for the forum by tackling the relation of competition and overall development. The discussion focused on special considerations for developing countries in implementing competition policy and law (CPL), including the need for a nuanced approach in its implementation, as economies in different stages of development face unique constraints and issues.

The second session looked into what developing countries can learn from developed countries with regard to the implementation of CPL. Frederic Jenny of the Organisation for Economic Co-operation and Development emphasized the importance of having quality institutions, particularly in jurisdictions where competition law is new. Jenny also highlighted the importance of capacitating judges and legislators to ensure the successful implementation of CPL.

Joshua Wright of the Global Antitrust Institute, meanwhile, led discussions on competition agency effectiveness in the following session, underscoring the importance of international cooperation in filling technical and institutional gaps in competition agencies in developing countries. PCC Chair Balisacan headed the day's last session, emphasizing the need for synergy between a nation's competition policy and its public interest considerations.

On the second and last day of the forum, Korea Fair Trade Commission's Chair Kim Sang-Jo discussed the need for a nuanced view of conglomerate firms, explaining that the impact of ownership on competition is conditional on the structure of the market. This session was followed by Australian Competition and Consumer Commission Deputy Chair Michael Schaper's discussion on how linking strategies for small and medium enterprises with competition policy allows SMEs to greatly benefit from market competition. He raised the need to better understand the interdependence between big

incumbent companies and smaller players to induce private sector growth.

The closing session focused on how disruptive innovations such as the emergence of new business models impact competition policy. Noting that disruptive innovations have fundamentally changed the way firms compete, Professor Allan Fels of the University of Melbourne stressed the need for competition agencies, especially those in developing countries, to balance innovation and perceived or real advantages brought about by access to technological developments by select firms.

Pre-Forum

Prior to the start of the forum on February 1, simultaneous pre-forum activities were held in cooperation with PCC's development partners and the academe.

The World Bank Group hosted the Workshop on Competition and Public Procurement last January 30, which

brought together international resource persons, competition enforcers, and administrators and technical staff from various Philippine government agencies to discuss procurement processes and issues from the perspective of competition law enforcement.

Recognizing the need for cooperation and collaboration among competition-related disciplines such as law and economics, the PCC partnered with the University of the Philippines College of Law to discuss efforts to advance competition studies in the academe in a seminar held last January 31.

An informal meeting of ASEAN heads of competition agencies was also held on January 31, with the assistance of the German Society for International Cooperation (GIZ) and the ASEAN Secretariat. ■



Competition experts, authorities from various jurisdictions, government officials, and representatives from the business sector and the academe attended the two-day forum.

OECD-KPC WORKSHOP SHEDS LIGHT ON ENERGY CARTELS

Philippine power rates are among the highest in Southeast Asia, according to the latest report¹ by the Department of Energy (DOE).

Aside from lack of government subsidies—which neighboring countries such as Thailand, Indonesia and Malaysia have—the steep prices also stem from expenses such as taxes, fees and other charges bundled together. Recent efforts to boost competition in the power sector and to lower rates include the push for the full implementation of the Retail Competition and Open Access (RCOA), which allows certain consumers to purchase electricity from the producer of their choice.

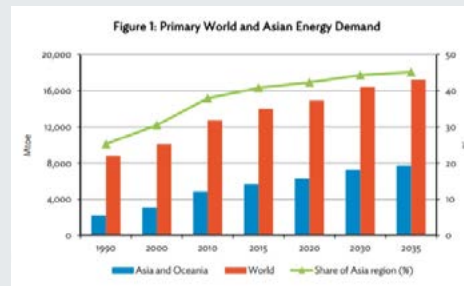
The power sector is one of the Philippine Competition Commission's (PCC) priority sectors for review. Of the P2.25-trillion worth of transactions approved by the PCC since it began operations in 2016, P86.59 billion involved the electricity sector.

The country's antitrust agency is also finalizing an agreement with the DOE towards effectively regulating the electricity market for the benefit of consumers. Parallel to these developments is the PCC's effort to continuously improve the capacity of its employees in understanding the energy sector through participation in information and technical knowledge sharing with other jurisdictions, such as the recent Sector Workshop on Competition Rules in the Energy Sector held in South Korea last March 6-8. Organized by the Organisation for Economic Co-operation and Development (OECD)-Korea Policy Centre, the workshop was aimed at familiarizing competition officials in the Asia Pacific region with international practices in cartels, abuse of dominance, mergers, and advocacy in the energy sector.

Importance of energy markets

The growth of global energy demand is being fueled by Asian countries, with China, India, and the rest of Southeast Asia seen as the engines of growth for oil, coal, gas, electricity, and renewable sources of energy (see Figure 1). This means that decisions on energy markets done within the region do not only affect the region's industries and households, but also other regions.

Figure 1: Primary world, Asian energy demand



Source: International Energy Agency (IEA), World Energy Outlook 2012

The energy supply chain is composed of the following: upstream production where energy is extracted from various sources; wholesale market where bilateral and exchange trades are conducted by producers, suppliers, and traders; transmission networks that transport energy from generation plants; distribution networks that deliver energy for regional or local distribution; and the retail market where suppliers sell energy to commercial, industrial, and residential consumers.

Due to the specialized infrastructure and high cost of maintenance needed in transferring energy from source, the transmission and distribution networks are natural monopolies. Several theories of harm can be imagined from this setup such as capacity hoarding and withholding. To combat these, competition policy may come in by instituting energy sector governance and reform, including establishing competitive markets, adopting market pricing mechanisms, and regulating monopolies.

Policing the energy market

Participants to the workshop shared their experiences in regulating the energy market. For instance, Brazil's Conselho Administrativo de Defesa Economica (CADE) discussed the anti-competitive issues they encountered and how these were addressed.

The construction of Brazil's nuclear reactor "Angra 3" was riddled with issues on the alleged cartel in the public bidding for the plant's electromechanical assembly work. After CADE unearthed e-mail exchanges among competitors, meeting schedules, phone calls records, and suspicious bids in the tender, the parties admitted their wrongdoing and agreed to sign a leniency agreement with CADE. Brazil's

antitrust agency estimated the project was overpriced by USD 500 million.

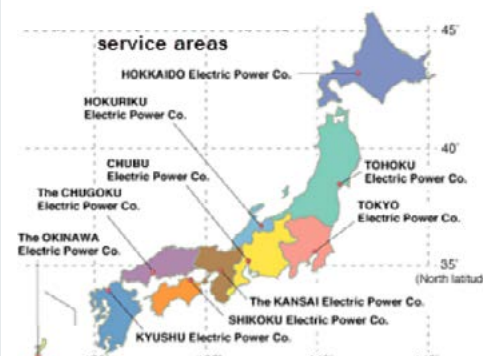
CADE also put a stop to a bid-rigging practice in the public procurement of solar panels. The call for bids attracted 10 participants with 7 contracts. However, upon closer inspection, CADE determined that the bids submitted were identical. The parties, in their bids, appeared to be dividing the contracts among themselves and agreeing to subcontract with one another. Despite having just indirect evidence, CADE was able to make a determination and sanctioned the winning companies.

Japan's advocacy

The Japan Fair Trade Commission's (JFTC) approach to opening its energy sector is three-pronged: first is to participate in regulatory reform and remove barriers to entry; second is to resolve disparity in the competition environment between incumbent operators and new entrants; and third is to keep deregulated markets under review and take strict actions against violations.

Prior to the deregulation in 1995, Japan's electricity market was cornered by just 10 electric power companies (see Figure 2). These companies were vertically integrated; meaning the same companies were in charge of power generation, transmission, distribution, grid control, and retail.

Figure 2. Concentration in Japanese power



Source: Federation of Electric Power Companies of Japan (2017), Electricity Review Japan

The same scenario confronted the gas market, with only 200 general

Continued on Page 8

¹ 2016 Philippine Electricity Demand-Supply snapshot

CSI IN THE SERVICE OF COMPETITION, COURTESY OF PNP

by: Paul Jeffrey M. Ballentos

The Philippine Competition Commission (PCC) is empowered by the Philippine Competition Act (PCA) to conduct investigations of violations of the PCA. Section 33 of the PCA gives the Commission the power to conduct inquiries by administering oaths, issuing *subpoena duces tecum* (i.e., a writ ordering a person to bring relevant documents) and summoning witnesses, and commissioning consultants or experts.

In its continuing effort to boost the agency's enforcement capacities, the PCC tapped the Philippine National Police (PNP) in strengthening its investigation skills.

In a seminar on investigation techniques held last February 28, the PNP briefed PCC staff on protocols and best practices for effective investigation. Resource persons Senior Superintendent Orlando Yebra Jr. and Senior Inspector Roberto Garcia of the PNP-Pasig shared their experiences in dealing with criminal cases.

The PNP has the power "to investigate and prevent crimes, effect the arrest of criminal offenders, bring offenders to justice and assist in their prosecution," based on the Department of Interior and Local Government Act of 1990 (R.A. No. 6975) as cited in the PNP Operations Manual. Garcia said the objectives of investigations are three-fold, namely, to identify the suspect, to locate the suspect, and to provide evidence of guilt. He mapped out six cardinal points in investigations (see Box 1).

Full control of crime scene

The police investigation team must ensure full control of the crime scene at the outset. This is to avoid its tampering by third parties (e.g., by the media or bystanders). Also, the team must be the first to conduct the

initial crime scene search—taking of photographs, making sketches, lifting finger prints, marking physical evidence, transmitting evidence to the crime laboratory, interviewing witnesses, and gathering evidence.

Garcia added that, with the presence of media personnel, politicians, or other personalities in the area, the investigation team must designate a holding area in the immediate vicinity. After examining, the team should properly clear and release the crime scene.

Gathering facts

Police investigators have three basic tools in investigation: Information, interviewing, and instrumentation.

"Information" pertains to the gathering of leads from the victim or from public or private records, and *modus operandi* files.

"Interviewing" is the skillful questioning of witnesses and suspects. In the past, PNP investigators used the "Mutt and Jeff" or "good cop, bad cop" technique in interrogating.

"Instrumentation" is using scientific instruments to examine evidence. Such instruments include scientific methods or equipment used to detect crime.

An investigator must carefully note specific details of cases (see Box 2). Upon arrival at the crime scene, investigators must take over the crime scene from the first responders. They should record the arrival time and date, and other noteworthy details such as the location of the scene, weather condition and wind direction, condition and type of lighting, and visibility. They must take photos and videos of the crime scene to aid analyses.

A member of the investigation team must be designated to watch and secure the crime scene and to ensure that only authorized persons enter the vicinity. Moreover, the investigators must identify possible witnesses for interrogation. The police interviews at least two witnesses of the victim and the suspect to reduce biased statements.

Upon searching for evidence,

Box 2. Investigator's notebook

- **Purpose.** Considering the volume of details and the number of cases an investigator is handling, it is very possible that he might forget some details. Many of the details associated with the investigation, while not essential to the report, might become points of interest to the courts when the case is brought to trial. During trial, the court allows investigators to consult their notes to refresh their memory.
- **Recording Note.** The data of the investigation should be recorded in a complete, accurate, and legible manner so that in the event another investigator is required to assume responsibility for the investigation, he can make intelligent use of the notebook.

Source: Garcia, 2018

investigators must scan the general environment of the crime scene. They must note obvious traces of action—the probable entry and exit points used by perpetrators, and the size and shape of the area involved. A systematic search is done in a clockwise pattern for crime scene with small areas (e.g., rooms, buildings). Meanwhile, crime scenes with large outdoor areas under investigation are recommended to be subdivided into strips four feet wide. Note that good investigators also examine the area beyond the immediate crime scene.

Physical evidence must be collected and marked with proper labels (i.e., name initials of investigators, date and time of discovery of each item). Afterwards, the evidence must be evaluated individually and collectively (i.e., relative to other evidence items). If necessary, these items must be taken to the crime laboratory for further examination. For instance, evidence involving technology (e.g., cellphone, computers) may be sent to the Cyber Crime Group for in-depth analysis and examination. Evidence must be preserved in a designated place until they are requested to be released upon the court's or prosecutor's orders. ■

Box 1. Crucial points in investigations

- What specific offense has been committed?
- How was the offense committed?
- Who committed it?
- Where was the offense committed?
- When was it committed?
- Why was it committed?

Source: Garcia, 2018

ADVOCACY ROUNDUP

WORLD BANK BOOSTS PCC CAPACITY ON MERGER REVIEWS

The World Bank Group (WBG) organized a merger review process workshop for the Philippine Competition Commission (PCC) last January 29 in Taguig City, in line with the PCC's continuing improvement of its operational capacities.

Lawyers and economists from the PCC Mergers and Acquisitions Office and the Economics Office participated in the workshop that focused on economic analysis of mergers and procedural aspects of merger control. Workshop sessions were facilitated by Robert Lancop, former chief economist of the Competition Bureau of Canada; Graciela Miralles Murciego, WBG senior economist and competition policy specialist; and Marta Bardon, former official of the Spanish Competition Commission. – *L. C. Gomez* ■

US FTC TRAINING ON ABUSE OF DOMINANCE INQUIRY, PROSECUTION

With the implementation of the Philippine Competition Act (PCA) now in full swing, the Philippine Competition Commission held last January 16-18 a workshop on investigating and prosecuting abuse of dominance and vertical agreements cases.

United States Federal Trade Commission (US FTC) Bureau of Competition Deputy Assistant Director Patricia Galvan and the FTC's counsel for Southeast Asia and the Middle East Timothy Hughes flew in to facilitate the workshop. The workshop provided an overview of the investigation process in a suspected

abuse of dominance or anticompetitive vertical agreement, as well as a learning-by-doing training exercises.

The workshop highlighted the importance of having a written investigative plan, as it serves as an essential tool in the early phase of an investigation, helping the case handler think through the key legal and factual issues that need to be investigated and prepare other documents that may be required as the investigation progresses. The workshop also provided exercises in preparing an investigative plan and proof chart, requests for documents, data and interrogatories, a proof checklist, an internal report to determine whether to proceed to issuing a complaint, drafting complaints; briefs, findings of fact and conclusions of law; and settlement agreements and orders. – *L. C. Gomez* ■

ASEAN COMPETITION AUTHORITIES TACKLE 2025 AGENDA

Heads and representatives of ASEAN competition authorities discussed the region's work towards achieving the ASEAN 2025 agenda on competition in an informal meeting organized by the Philippine Competition Commission (PCC) in collaboration with ASEAN Secretariat and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ).

Among the matters discussed were the ASEAN Experts Group on Competition (AEGC) initiatives on ASEAN Regional Cooperation Framework (ARCF) and the ASEAN Research Centre for Competition (ARCC), a project that the Philippines leads.

The ARCF is a non-binding cooperation framework that sets out general objectives and principles that will guide ASEAN member-states in developing the ASEAN Regional Cooperation Agreement (ARCA) by 2020. On the other hand, the establishment of ARCC, which is envisioned to be a platform for knowledge sharing among the academia and practitioners, will complement the ARCF by promoting better understanding and awareness on competition in the region.

Competition authority heads and representatives also discussed the progress and impact of regional and international cooperation programs and the role of ASEAN in international competition events. The said meeting was held last January 31 in Makati City as part of the pre-forum activities of the 2018 Manila Forum on Competition in Developing Countries. – *L. C. Gomez* ■

WORKSHOP ON MARKET STUDIES SELECTION, PRIORITIZATION

PCC lawyer Nerissa N. De Jesus and economists Kirsten J. Dela Cruz and Edgardo Manuel Miguel M. Jopson joined representatives from ASEAN competition authorities in a Japan-ASEAN Integration Fund (JAIF) workshop on market studies selection held last January 17-18 in Bandar Seri Begawan, Brunei Darussalam.

The JAIF workshop was organized with the aim of capacitating competition agencies on the selection and prioritization of sectors or industries for market studies towards market efficiency.

Dr. Hassan Qaqaya from the University of Melbourne, in his presentation during the workshop, noted that certain strategic factors, such as public attention on issues in a market, government priorities and the impact of a certain sector on the broader economy, can affect the selection and prioritization of sectors for market studies. Apart from the selection and prioritization of sectors for study, the workshop also covered the preparation of policy advice based on the findings of a market study, managing the interface of competition authorities and policy makers, and advocating the studies and its ex-post evaluation.

– *L. C. Gomez* ■

ACCC ORGANIZES ASEAN COMPETITION ENFORCEMENT WORKSHOP

The Australian Competition and Consumer Commission (ACCC), in partnership with the Ministry of Industry and Commerce of Lao PDR, facilitated the Phasing Enforcement Workshop for ASEAN member-states last February 20-22 in Vientiane, Lao PDR. Through peer-to-peer learning, the three-day workshop highlighted the importance of establishing effective enforcement operations and prioritizing enforcement work programs (e.g., case selection, development of processes to support investigations).

In line with the Philippine Competition Commission's (PCC) continuing advocacy efforts, Atty. Christian Loren de los Santos of the Competition Enforcement Office participated in the said workshop, sharing PCC's experiences in enforcement with competition officials from Cambodia, Lao PDR, Myanmar, and Thailand. The workshop is part of the ACCC-managed Competition

BEST PRACTICES IN MERGER CONTROL TACKLED IN APEC

Developments in merger control regimes in various jurisdictions were tackled in the APEC Workshop on Merger Control Regimes held last March 1-2 in Port Moresby, Papua New Guinea (PNG). Hosted by the Independent Consumer & Competition Commission (ICCC), PNG's economic regulator and consumer watchdog, the said workshop brought together speakers from regulatory and competition agencies, international organizations, and the academe in the APEC region to discuss various merger control regimes that have worked for certain economies. Participants, particularly APEC member-economies with new competition agencies, shared best practices in implementing competition law and policy through structural or procedural reforms.

On the effective enforcement of merger control regimes, International Counsel Leah McCoy of the US Department of Justice (DOJ) Antitrust Division shared that sovereignty, transparency, non-discrimination based on nationality, and protection of confidential information serve as guiding principles for merger notification and review. These principles were adopted by the International Competition Network (ICN) and were incorporated by ICN member agencies in their best practices.

Despite efforts towards improving merger control across jurisdictions, University of Melbourne professor Dr. Rhonda Smith

cited several challenges in such regimes, including addressing efficiency gains from an anti-competitive merger, identifying the market in which a merger occurs due to complexity of business models, and determining jurisdiction over certain types of activities such as online businesses and trading. Representatives from competition agencies also shared best practices in implementing their own merger control procedure. New Zealand-based barrister Dr. Andrew Simpson of the Terrace Chambers explained that a voluntary regime appears to work well in NZ, reporting a reduction in yearly clearance applications. However, he emphasized that a voluntary regime is only efficient where conditions support it.

In the case of PNG, the ICCC proposed to amend their existing voluntary regime and to introduce a mandatory notification process. Since 2011, ICCC M&As manager Emmanuel Auru shared that many M&A transactions which passed the clearance and authorization processes of ICCC now pose significant competition concerns in PNG.

PCC mergers and acquisitions lawyer Juan Antonio Arcilla and economist Isabela Villamil represented the Philippines during the said workshop. – L. C. N. Gorosin ■

ASEAN COMPETITION REGULATORS CONVENE AT GCR FORUM

Commissioner Stella Luz A. Quimbo represented the Philippine Competition Commission (PCC) at the Global Competition Review (GCR) 7th Annual Asia-Pacific Law Leaders Forum held last March 9-10 in Singapore. The Forum

brought together ASEAN competition law enforcers to discuss competition law cooperation, advocacy, and capacity building efforts in the region, identify policy drivers across jurisdictions, and determine focus markets, among others.

During the said session, Quimbo shared developments regarding PCC's latest undertakings, particularly its adjustment of notification thresholds and institutionalization of a leniency program. She also provided updates on the establishment of the ASEAN Research Centre for Competition (ARCC).

In preparation for the creation of the ARCC, the German Agency for International Cooperation (GIZ), in support of the ASEAN Experts Group on Competition (AEGC), recently commissioned a feasibility study to evaluate existing structures within the ASEAN and to propose new ones that will lay the ground for the said project. – L. C. N. Gorosin ■

LAW ENFORCEMENT AGENCIES, PCC HOLD DIALOGUE

As part of its continuing efforts to increase awareness of competition law and build partnerships, the Philippine Competition Commission (PCC) held a dialogue-seminar with law enforcement agencies last March 26 in Makati City. The dialogue-seminar aimed at introducing PCC to other law enforcement bodies, identifying areas for collaboration, and forming partnerships in information sharing and other capacity building activities.

Competition Enforcement Office Director Orlando Polinar provided an overview of the Philippine

Competition Act (PCA) and PCC's mandate. Atty. Christian delos Santos and Atty. James Donato discussed prohibited acts under the PCA and the challenges in building up a case, respectively. An open forum followed the presentations.

The event was attended by representatives from the Philippine National Police, Bangko Sentral ng Pilipinas, Bureau of Fire Protection, Civil Aviation Authority of the Philippines, Energy Regulatory Commission, and Intellectual Property Office, among others. – C. Daquis ■

COMPETITION ENFORCEMENT OFFICE BRIEFS PCC STAFF ON PROCEDURES

On February 22, the Competition Enforcement Office of the Philippine Competition Commission (PCC) initiated the first phase of an internal training on the 2017 Rules of Procedure. Investigation agents Genevieve E. Jusi and Rosylyn L. Ramirez discussed on the enforcement procedure as well as non-adversarial remedies under the Philippine Competition Act (PCA). The first session was dedicated to a discussion of the Enforcement Office operations and its interface with other PCC offices; while the second focused on mechanisms for voluntary compliance with provisions of the PCA and other competition laws.

The event was part of the series of internal trainings being conducted by the PCC to strengthen synergy between and among its offices. In January 2018, the PCC conducted a hands-on workshop on drafting documents in abuse of dominance cases. – R. L. T. Advincola ■

PCC vows to address business concerns

The Philippine Competition Commission (PCC) pledges to respond to the concerns raised by members of the business community, following the implementation of the Philippine Competition Act (PCA). (Richmond Mercurio, Philippine Star, 4 February 2018) [Read more >>](#)

Competition fuels product, service improvements

A survey was conducted among 530 small and medium enterprises (SMEs) in Metro Manila and results showed that 70 percent of the respondents considered competition in their respective markets to be of medium to high intensity. (Malaya, 16 January 2018) [Read more >>](#)

Competition a game changer in PHL economy

Based on studies, greater competition results to overall productivity and growth of firms/sectors of the economy. The PCC understands that it will need support from industry players, fellow regulators, and the public—who will benefit the most from a robust market competition. (Arsenio M. Balisacan, Business Mirror, March 18, 2018) [Read more >>](#)

Effective competition policy to provide consumers best value for money

Competition is always a positive boost to the business and the consumer. When more businesses compete, the more they improve their service, provide more perks and choices to the public, invest in research and development to delight the customer, and, in the end, result to a reduction in prices. (Ariel Nepomuceno, BusinessMirror, March 14, 2018) [Read more >>](#)

EU ready to help PH in strengthening enforcement of competition law

The European Union (EU) offers its support to the Philippines in strengthening the implementation of the PCA. (Kris Crismundo, Philippine News Agency, 22 February 2018) [Read more >>](#)

Now is right time for PH to open up economy: says EU

The EU Delegation in the Philippines emphasized that now is the right time to open up the domestic economy saying that fair level playing field can be ensured by the well-functioning Competition Commission. (Bernie Cahiles Magkilat, Manila Bulletin, February 24, 2018) [Read more >>](#)

PCC steadily strengthening competition regime with every decision—Balisacan

PCC Chairman Arsenio M. Balisacan stressed that every decision the PCC makes on business transactions, particularly mergers and acquisitions, is important in strengthening the competition regime in the country. (Bernadette D. Nicolas, BusinessMirror, March 13, 2018) [Read more >>](#)

Continued from Page 4

gas utilities throughout the country. Vertical integration could also be observed in the manufacture, pipeline service, and retail.

The deregulation of the electricity and gas markets was completed in 2016 and 2017, respectively, which saw the entry of new players, giving consumers more choices. Japan is now in the middle of discussions to enact further reforms that will allow the legal unbundling of the transmission and distribution units in 2020 (electricity) and pipeline service units in 2022 (gas) from others.

Future of Philippines energy

Developing the energy sector is crucial in achieving the country's vision of a *strongly rooted, comfortable, and secure life by 2040*³. Key strategies under the Philippine Development Plan (PDP) 2017-2022, the country's blueprint for development in the medium term, include supporting the massive investment requirement and fast-tracking the implementation of infrastructure projects to improve power generation. Further, the plan encourages competition to drive down electricity costs as well as efficient transmission of electricity to various load centers and interconnect the entire grid.

There is also a renewed push to pursue the development of the natural gas industry, as well as wind and solar energy sources, and prioritize the provision of electricity services to the remaining unelectrified, off-grid areas, and last-mile communities.

The PCC will play an important role in the development of the energy sector in the country. As stipulated in both the PDP 2017-2022 and the Philippine Energy Plan (2012-2030), this will require the facilitation of new technologies and the possible entry of new players in the market. The PCC aims to ensure that, through a strong and credible competition policy, there is a level playing field for both consumers and would-be players in the Philippine energy market. — R. L. T. Advincula ■

³AmBisyon Natin 2040 is the anchor for Philippine development planning across at least four administrations. It is the result of a long-term visioning process that began in 2015.

DASHBOARD

M&A

Notifications received from January to March 31:

16

Notifications received since February 2016:

154

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