

Forum on

Regulation and Governance in the Philippines:

Development Policy Challenges for the New Administration

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Competition Policy and Economic Development: An Asian Perspective

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Overview

- The Role of Government in Economic Growth and Development
- Competition as an Auxiliary Objective
- Competition policy as an instrument
- Evolution of competition policy
- The stylized facts of competition policy?

Growth Theory

- **Dismal science (Malthus/Ricardo)**
 - **Labor added to fixed resource base => stationary state**

Neoclassical (Solow)

- **Adding capital faster than labor grows y , but growth slows to steady state**

Ambisyos (endogenous growth theory)

- **Due to economies of human capital and specialization, growth need not slow.**

Overview

- The Role of Government in Economic Growth and Development
- Competition as an Auxiliary Objective

Economic Development as structural transformation

- 1. Initial stage of agricultural development:** Intensification and specialization **barely outstrip dismal Malthusian forces.**
- 2. Industrialization:** Produced, human, and knowledge capitals and increased specialization accelerate growth
- 3. Service sector grows faster than industry and agriculture.**
4. Productivity growth within each and by resource movement

Specialization: the engine of growth

- **Opportunities for horizontal and vertical specialization are more compact in manufacturing**
- Falling unit transaction costs (physical and institutional infrastructure) permit a growing transaction sector that facilitates ever growing specialization
- Trade grows as a fraction of the economy, following **dynamic comparative advantage**.

External Economies of Specialization: Lock, stock, and Barrel

- First “rifle” made by a blacksmith who fabricated the lock, stock and barrel and put them together.
- Horizontal specialization but components were standardized. No need for vertical coordination.
- Eventually there were dedicated suppliers of lock, stock and barrel for Remington and Winchester, i.e. vertical coordination. Both vertical and horizontal specialization can continue w/o limits, continually increasing value by catering to diverse preferences and promoting innovation/learning.

Parallel Sourcing: Toyota

- One supplier of steering wheels for Camry, another for Cressida.
- Each is a monopolist supplier to a particular brand but competes w/ the supplier of another model.
- Best of both worlds: single sourcing for one brand allows relationship to continually improve quality. But competition preserved through comparisons with other models.

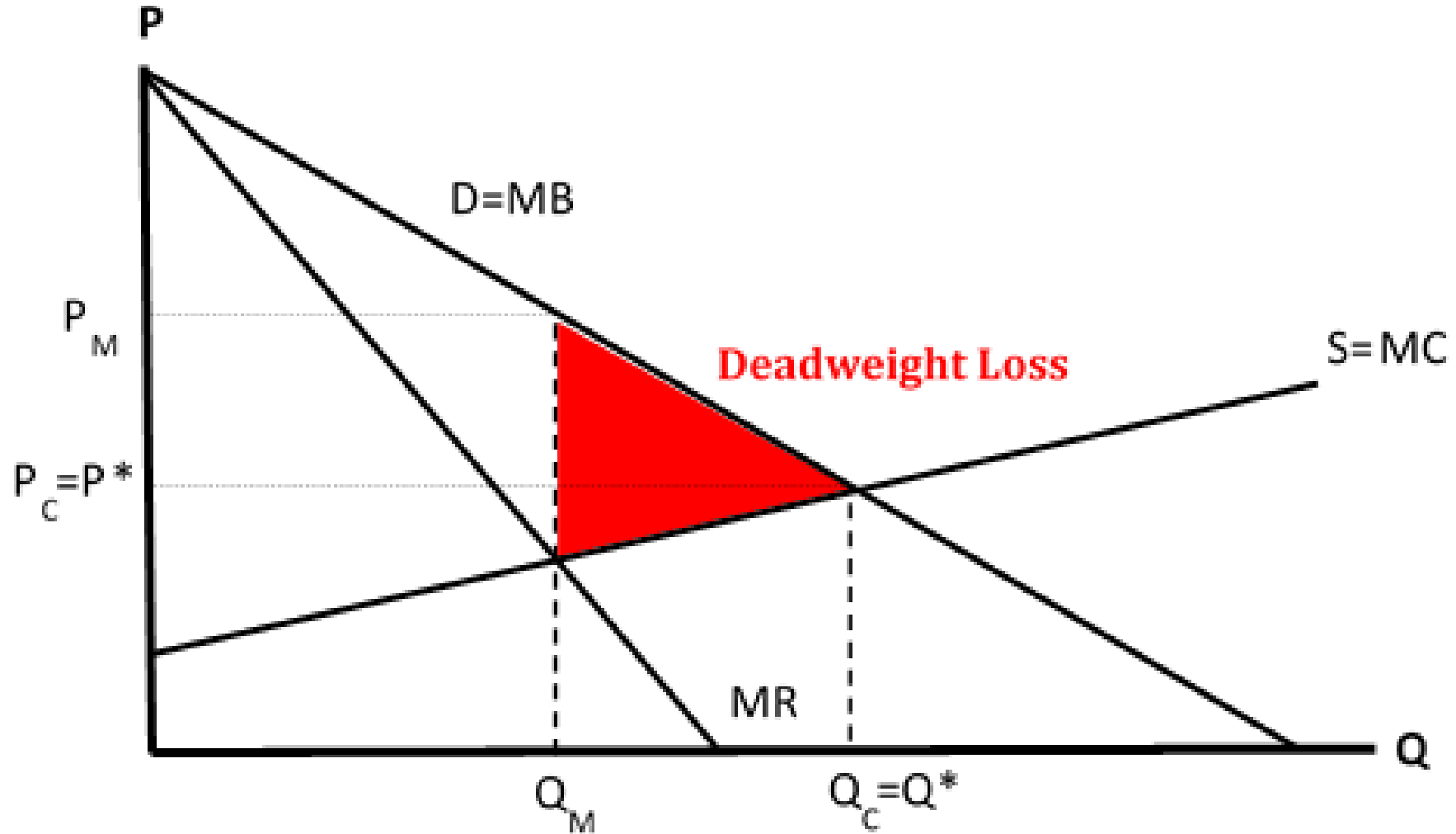
The invisible hand theorem

- If markets are complete and **competitive**, private interests are guided as if by an invisible hand to an efficient outcome.

The role of government: Promote the General Welfare (legacy of Adam Smith)

- **Infrastructure of cooperation:** Rule of law (security, property, contracts) facilitates the invisible hand – efficiency via bilateral contracts. Includes monopoly regulation.
- Justice: Equality under the law
- Public works and institutions: Physical infra, education, basic needs

Single market: The more competition the better (Generalization one)



But Selective increases in Competition could Decrease overall

efficiency

- Suppose sector X is quasi competitive and Y is monopolized. Making X even more competitive will **exacerbate** relative underproduction of Y.
- Missing markets

Lessons

- **Competition policy is an instrument. General welfare is the objective.**
- **Competition authority should play an **active role** beyond responding to complaints and requests for approval: market review**
- **Prioritize worse sectors first, including govt. monopolies**

Generalization 2: Dynamic Always trumps Static

- **Potential dynamic gains are “an order of magnitude greater” than deadweight loss triangles, the alleged obsession of static analysis.**
- **Misunderstanding: The static exacerbation effect (in other markets) can also be an order of magnitude greater than the change in deadweight loss.**

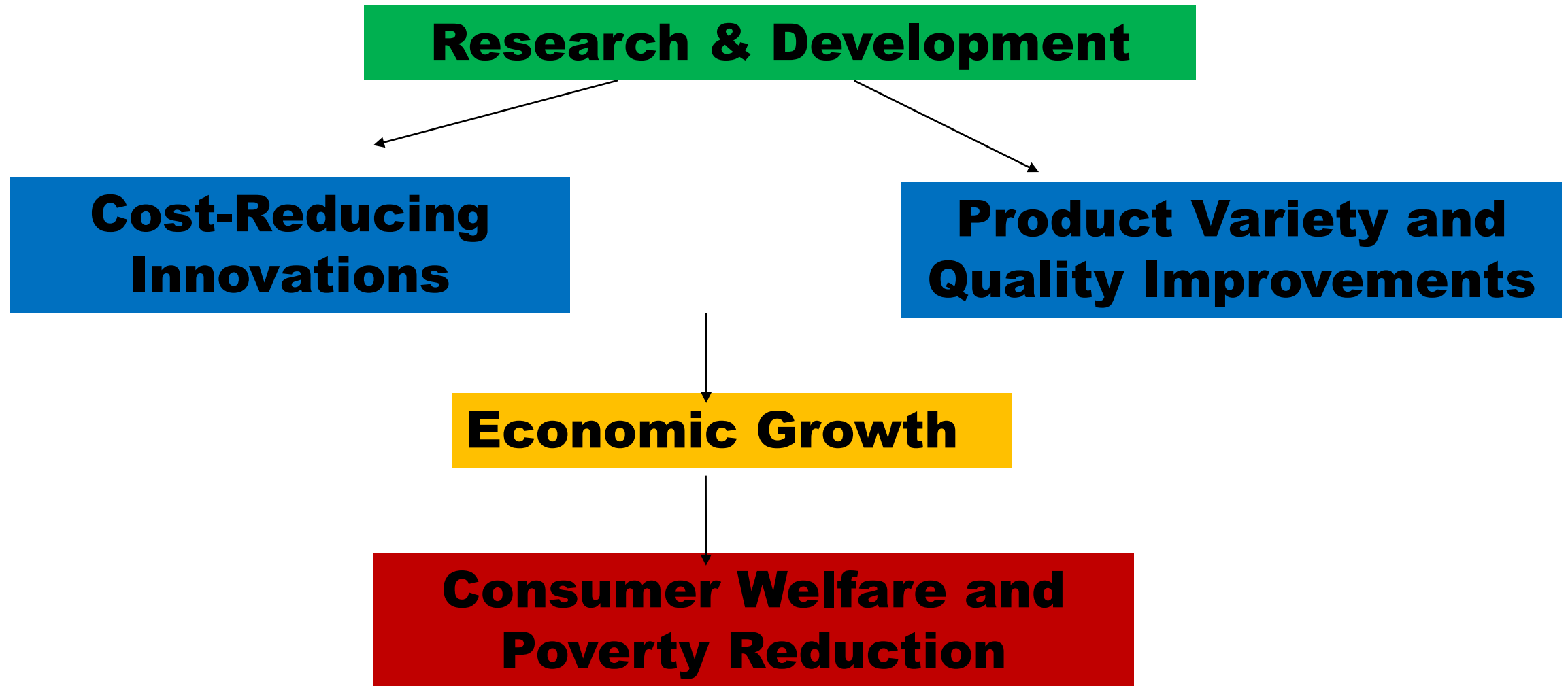
Coordinating investments

- Dynamic competition via futures markets too costly.
- Selective incentives is Band-Aid Economics
- Keiretsu/Chaebol model: Direct cooperation but risk of rent-seeking. Economic zones. Quality rating.

Lessons

- **Competition policy should be integrated w/ ag, industry, and trade policies (complements).**
- **Hypocratic oath of government: First do no harm (decrease competition)**

Innovation and Economic Welfare



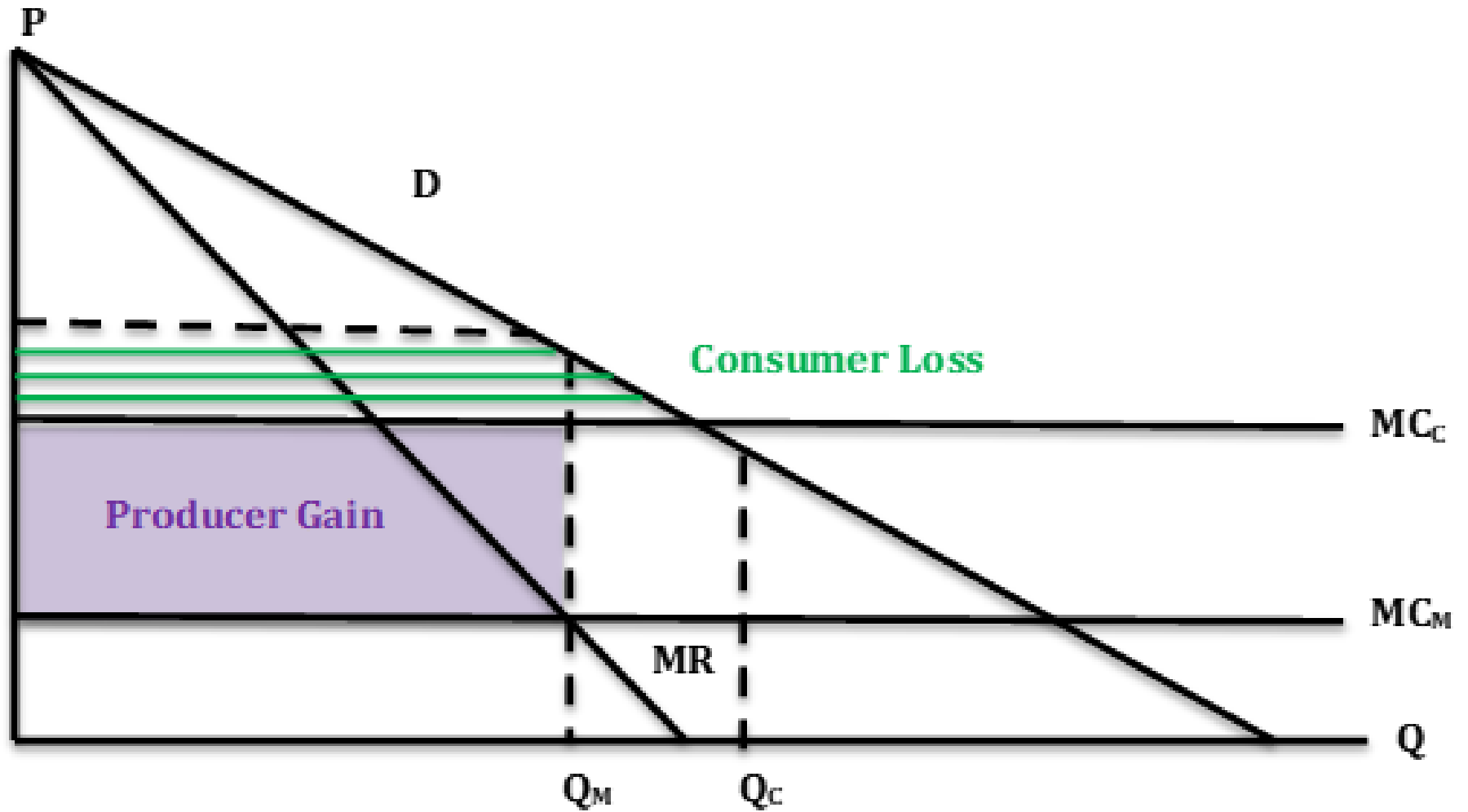
Incentivizing innovation: Schumpeter (1942)

- **Dynamic competition: Fight to become less competitive**
- **“Competition that really matters” – competition to develop new technologies, products, and organizational forms and to find new sources of supply.**
- **Dynamic capitalism: Creative destruction**

Drivers of innovation

- **Incentive: the quest for a degree of monopoly profits.**
- **Selection: Provided by creative destruction**

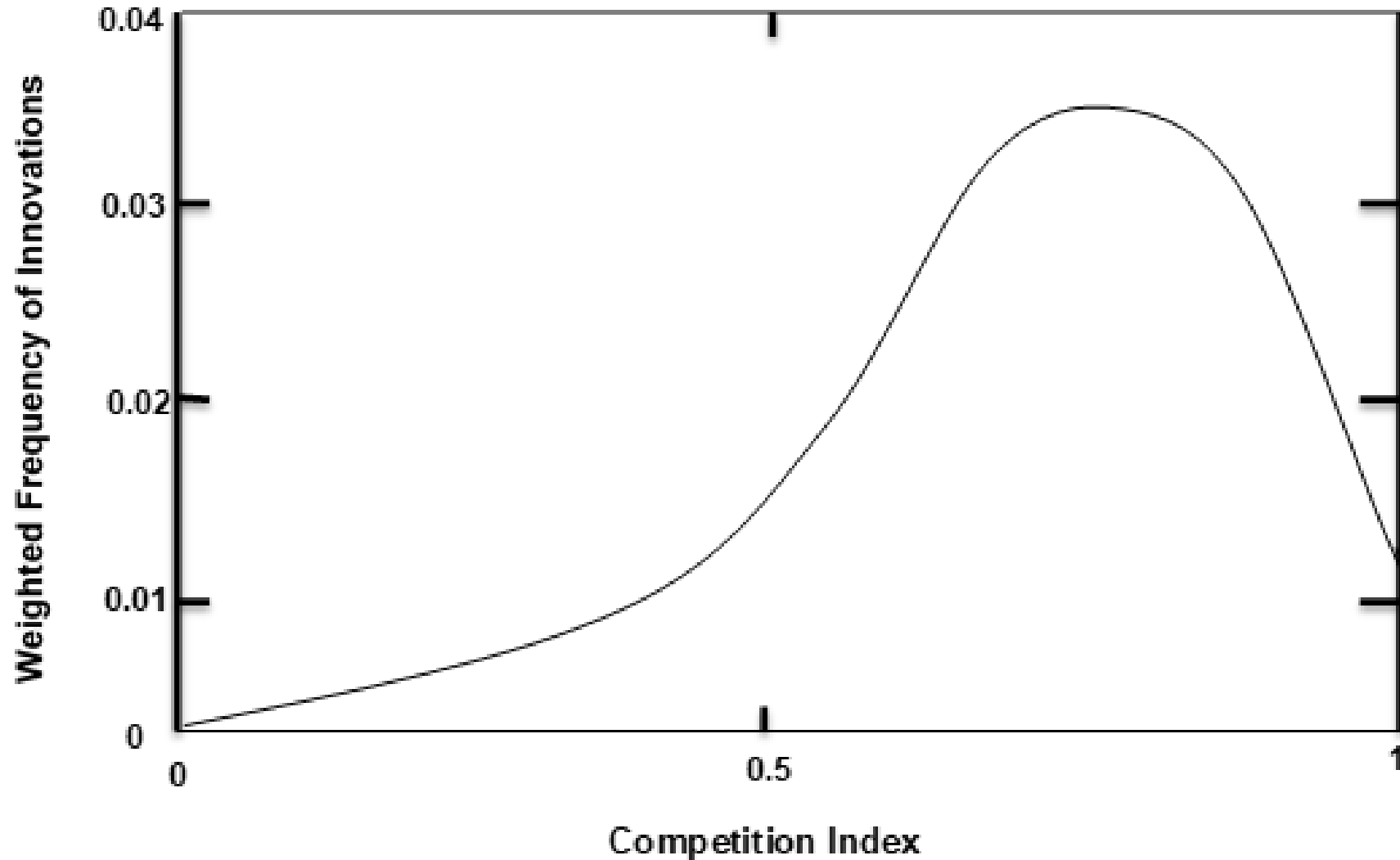
Textbook: Monopoly could increase Total welfare (at the expense of consumers)



From adam Smith to Arrow

- “People of the same trade seldom meet together, even for merriment or diversion, but the conversation ends in a conspiracy against the public, or in some contrivance to raise prices.” --
- Smith
- “It is not the presence of bargaining costs per se but their bias that is relevant.” --- Arrow

How much competition for innovation? Aghion et al.



Abuses of monopoly: Beyond Price-too-high; quantity too low

- **Monopolists resist entrants**
 - **Predatory pricing**
 - **Legal harassment**
 - **Regulatory capture (Concepcion Cement Policy)**
 - **Innovative effort displaced by rent-seeking**

Lessons

- **First avoid government restrictions on entry (e.g. shipping)**
- **Diagnosing rules and behaviors that restrict entry (min distance, portfolio of permits, prohibition on discounts, uneven enforcement)**

Generalization 3: Liberalized trade is not a substitute for competition policy (Palim)

- **Friedman asserts that trade can substitute but Palim finds no significant relationship.**
- **In some cases, import or export competition may be adequate**
- **Counterexample: Suppose cement is monopolized. Liberalizing trade increases income and demand for cement, exacerbating the distortion. Since trade and comp policies can be substitutes OR complements, the lack of statistical significance not surprising.**

Stylized Evolution of Toyota

- **Toyota competes and wins in domestic market. Market forces and/or export promotion lead to export growth and exposure to international competition, while retaining some degree of monopoly power domestically to fuel innovation. Over time, competitive pressures go down and then up.**

Institutional design: Getting incentives right

- **Complement passive response to complaints/approvals w/ active market review of price/quality and productivity growth. Note difficulty of determining how much price is marked up above competitive levels.**
- **Procedures: Structure-Conduct-Performance revisited**
 - **Old: Concentrated structure=>Price-fixing conduct=>Inefficient Performance**
 - **New: Concentration is endogenous: Explain mo na.**
- **Focus on entry?**

Brief History competition Laws

US

- **Transportation & communication tempted anti-competitive behavior**
- **The Sherman Antitrust Act, 1890: What you do.**
- **1914: Clayton Act: What you are and how to enforce**
 - **FTC**
 - **Antitrust Division, DoJ. How to enforce**
- **Focus on efficiency**

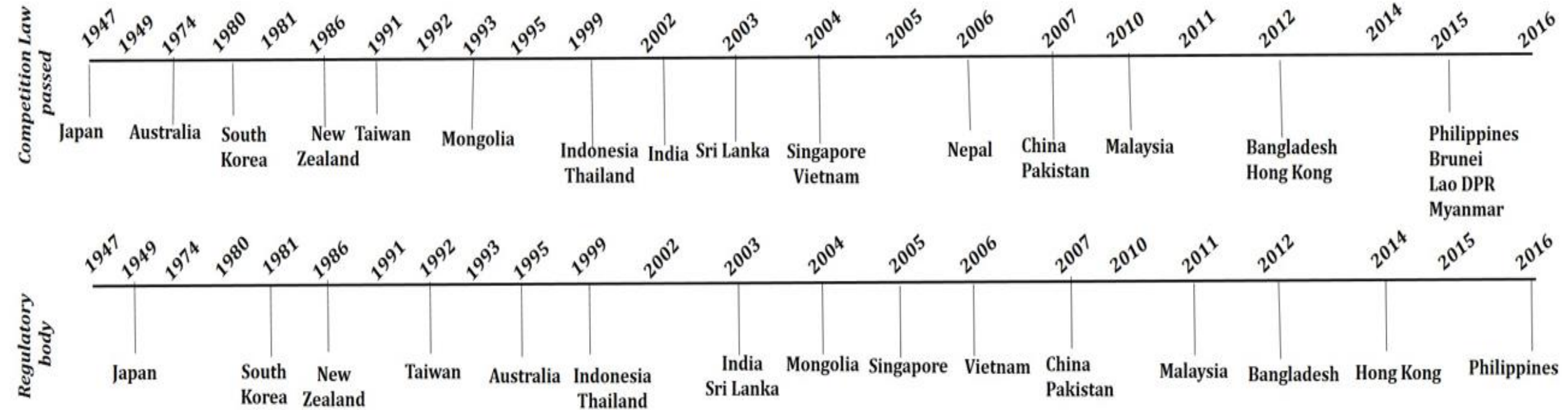
Europe and EU

- **Germany: Price stability**
 - **Pre-depression: weak cartel law**
 - **Great depression – cartel membership allowed to avoid bankruptcy**
 - **Nazi regime – cartels for “national champions”**
 - **Post WW II – oversight includes anti-cartel**
- **UK**
 - **Profiteering Act 1919 (inflation)**
 - **Post WW - unemployment**
- **1951 - 1951 Treaty of Paris; supranational competition law in Europe**

US and EU

- ❖ EU: Consumer and worker welfare; concentration influencing politics.
- ❖ US: efficiency, including producer welfare.

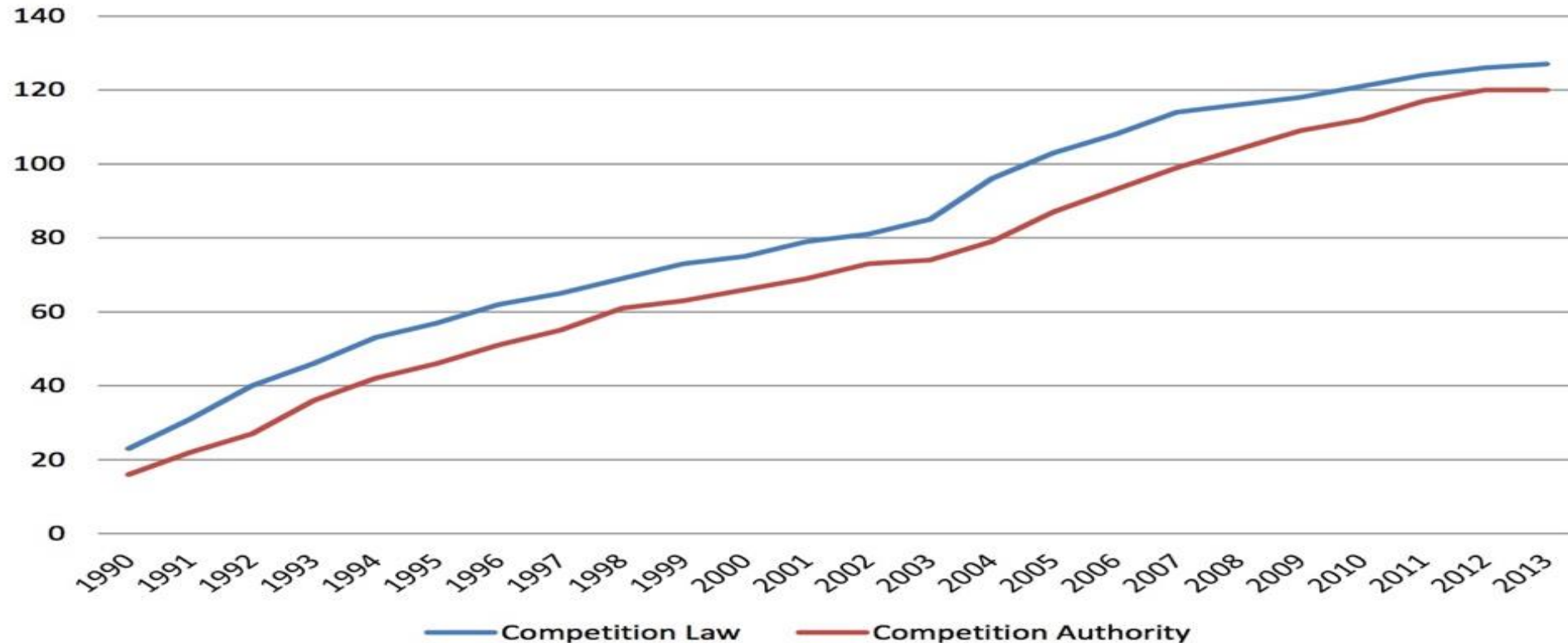
Timeline of enactment of Competition Law in Asia



**Lao DPR, Myanmar - regulatory body forthcoming*

- Note: Southeast Asia – 9 countries with competition law, 1 drafting (Cambodia); 1 no competition law (Timor Leste); East Asia – 5 countries + HK with competition law; 1 no competition law (North Korea). South Asia - 5 countries with competition law; 2 drafting (Bhutan; Afghanistan); 1 no competition law (Maldives)

Number of jurisdictions with Competition Law and Competition Authorities



Source: OECD (2014)

What explains the likelihood of adopting competition policies?

- **Palim (1998)**
 - Thatcher/Reagan/Washington-Consensus
 - Influenced by a country's stage of development
 - **Economic, political and civil freedom both at the time of adoption**
- **1980-2014 – in addition to the above**
 - Peer effects - neighboring countries' adopting competition policies
 - Economic and regional integration
 - Trade openness
 - Existence of International Competition Network (ICN)

Explaining adoption: Variables

- Dependent variable “*LAW()*” Yes = 1; No = 0
- Political change (*POLCHyears*), which measures the change in political freedom as given by Freedom House (2016).
- Economic change variable (*ECONCHyears*), which measures the change in economic freedom for the year indicated, sourced from Fraser Institute (2014).

More Variables

- **GDP per capita**
- ***% of neighbors w/ competition law at time of country adoption***
- ***(Exports + Imports)/GDP***
- **Separate regressions: 1980-1996, 1990-1996, 1990-2014, and 1996-2014**
 - **(1990-1996: Post-communism turn to competition)**

What explains the likelihood of adopting competition policies?

| <i>Dependent Variable:</i> | <i>LAW80-96</i> | <i>LAW80-96</i> | <i>LAW90-96</i> | <i>LAW90-14</i> |
|---------------------------------------|--------------------------|--------------------------|--------------------------|----------------------------|
| <i>POLCH 80-95/90-95/90-13/95-13</i> | - 0.0049 (0.0156) | - 0.0065 (0.0220) | - 0.0120 (0.0172) | 0.0224 (0.0259) |
| <i>ECONCH 80-95/90-95/90-13/95-13</i> | 0.0678 (0.0558) | 0.0359 (0.0683) | 0.0889 (0.0667) | 0.1132 ** (0.0571) |
| <i>GDPCAP 1996/2014</i> | 5.90(E-06) * (0.0000) | 3.70(E-06) (0.0000) | - 3.11(E-06) (0.0000) | 1.93(E-05) *** (0.0000) |
| <i>Peer effect</i> | — | 2.4928 *** (0.7523) | 1.7390 *** (0.4732) | 5.1414 *** (1.8372) |
| <i>Trade 1996/2014</i> | — | 0.0000 (0.0012) | 0.0012 (0.0009) | 0.0048 *** (0.0014) |
| Constant | - 0.8490 ** (0.3672) | - 1.9173 *** (0.4948) | -2.9993 *** (0.6151) | -5.0764 *** (1.0724) |
| N | 99 | 97 | 107 | 107 |
| With competition law | 65 | 65 | 72 | 70 |
| Without competition law | 34 | 32 | 35 | 37 |
| Model chi-square | 5.1500 | 17.5700 *** | 24.5400 *** | 17.8900 *** |
| Pseudo R-square | 0.0453 | 0.2836 | 0.3115 | 0.6182 |

New Institutional Economics: Contrasts

- Philosophy: Whose welfare (consumers, workers, general)?
- **Structure (e.g. independence, budget, tenure, organizational chart)**
- Scope: active/passive; behaviors vs. organizational form
- Process: Investigation/adjudication

Nie: Correlations

- % govt budget vs. gdp/capita
- Whose welfare or active/passive vs. cultural similarities
- Relationship to characteristics of the economy (e.g. sectoral balance)

Nie: Explanation

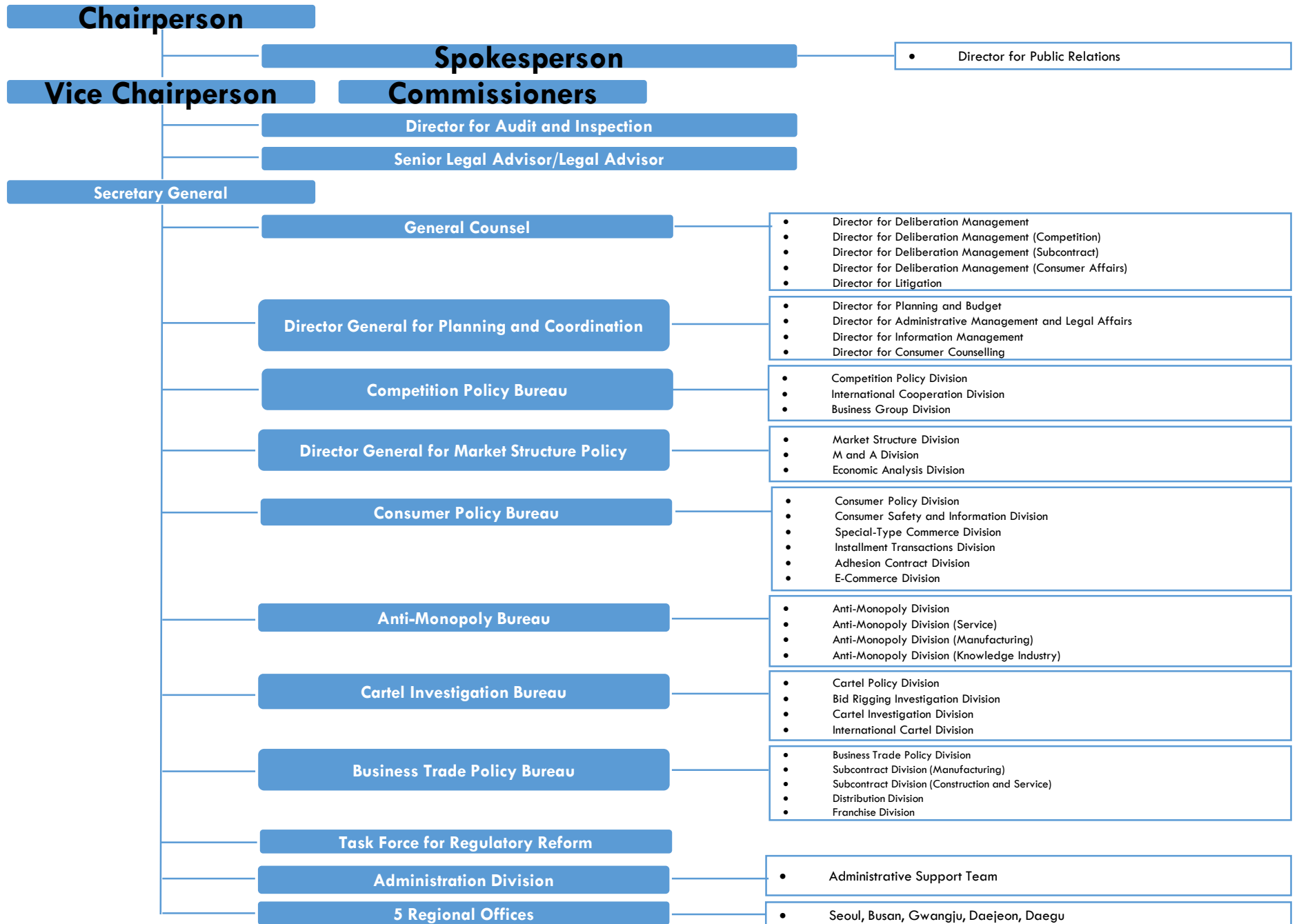
- Driven by rational response to country differences
- => theory of institutional design

Driven by copy and paste

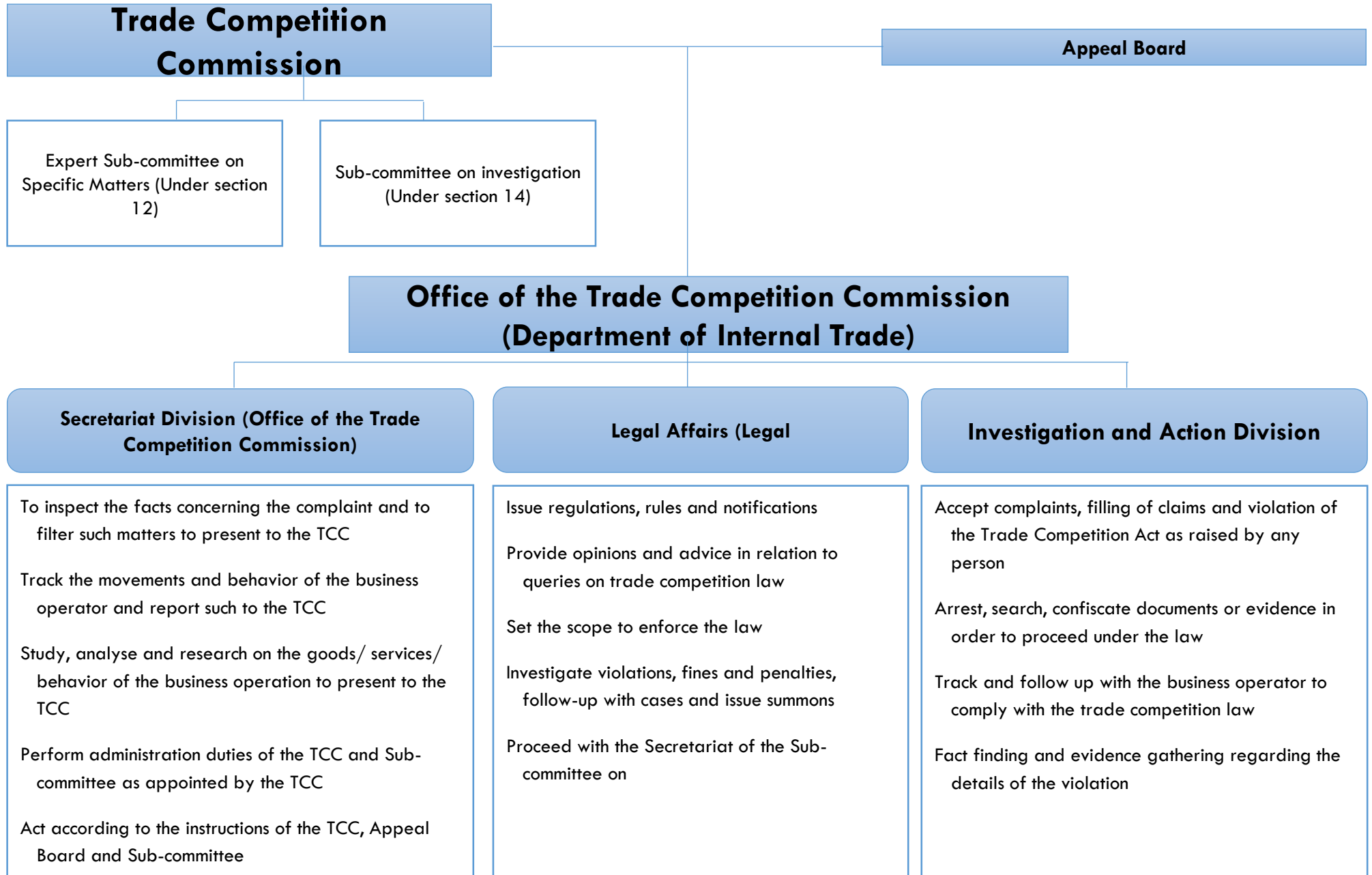
- Driven by special interests
- Captured by special interests

- Implications for reform

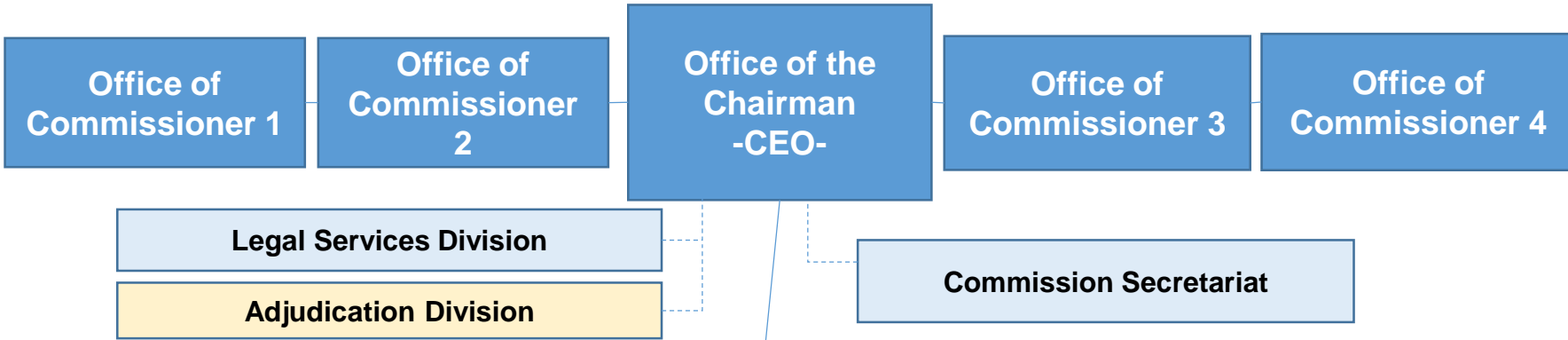
ORGANIZATION STRUCTURE OF KFTC



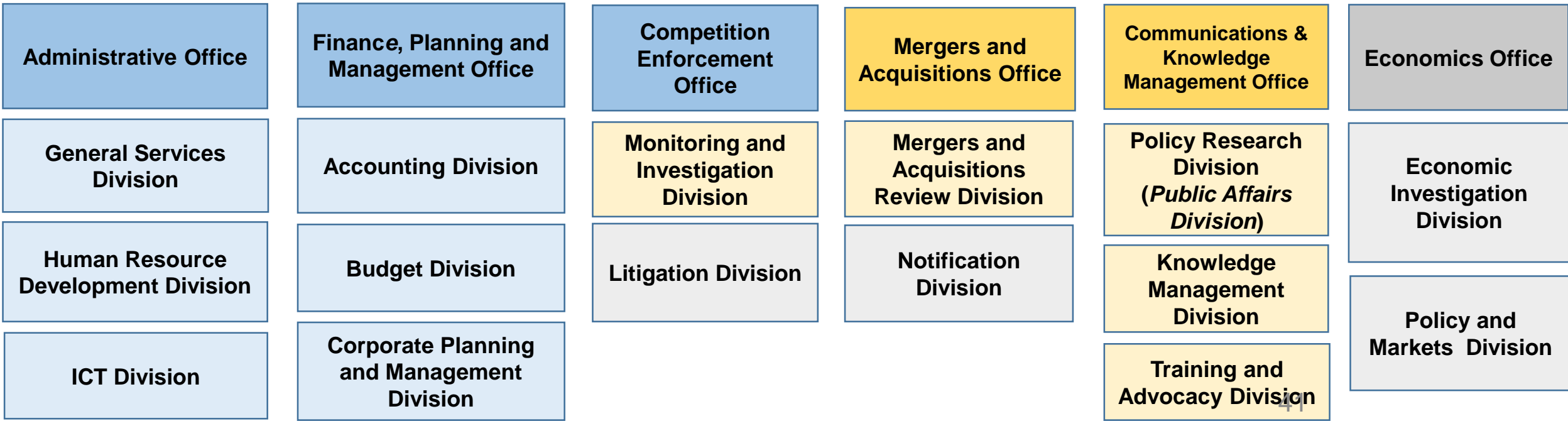
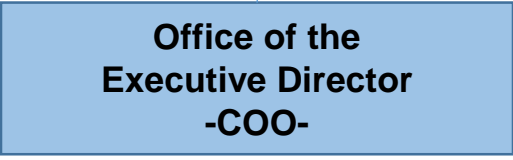
ORGANIZATION STRUCTURE OF TCC



Philippine Competition Commission



^{1/} Immediate-term (interim) structure as discussed/agreed upon by the Commission on 5 Sept 2016 (and minor adjustments from units)
^{2/} Green boxes are created offices but with existing positions transferred from other units
^{3/} Purple boxes are existing and/or renamed offices with changes in staffing



Maraming Salamat!

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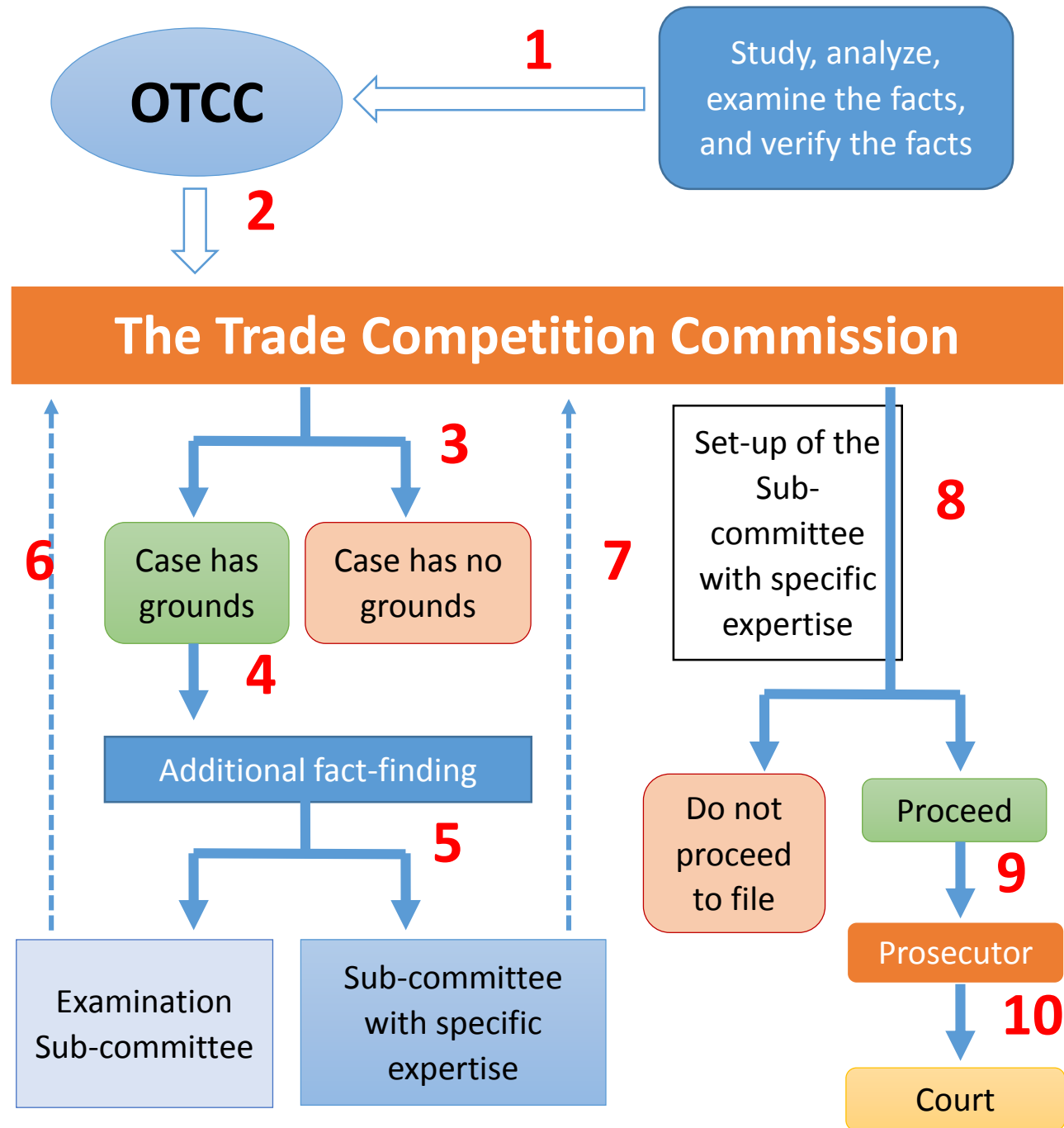
| Per-capita GDP (US\$) ^a | | Goods Market Efficiency | | Market Size | | Business Sophistication | | Global Competitiveness | |
|------------------------------------|---------------|-------------------------|-----------|--------------------|-----------|-------------------------|-----------|------------------------|-----------|
| Australia | 54,708 | Singapore | 1 | China | 1 | Japan | 2 | Singapore | 2 |
| Singapore | 51,855 | Hong Kong | 2 | India | 3 | Malaysia | 13 | Japan | 6 |
| Japan | 47,150 | Malaysia | 6 | Japan | 4 | Hong Kong | 16 | Hong Kong | 7 |
| New Zealand | 36,801 | New Zealand | 8 | Indonesia | 10 | Singapore | 18 | Taiwan | 15 |
| Hong Kong | 36,173 | Japan | 11 | South Korea | 13 | Taiwan | 21 | New Zealand | 16 |
| Brunei | 32,226 | Taiwan | 13 | Thailand | 18 | New Zealand | 25 | Malaysia | 18 |
| South Korea | 25,023 | South Korea | 26 | Taiwan | 20 | South Korea | 26 | Australia | 21 |
| Malaysia | 10,878 | Australia | 27 | Australia | 22 | Australia | 27 | South Korea | 26 |
| China | 6,497 | Thailand | 30 | Malaysia | 26 | Thailand | 35 | China | 28 |
| Thailand | 5,775 | Sri Lanka | 51 | Pakistan | 28 | Indonesia | 36 | Thailand | 32 |
| Mongolia | 3,946 | Indonesia | 55 | Philippines | 30 | China | 38 | Indonesia | 37 |
| Indonesia | 3,834 | China | 58 | Hong Kong | 32 | Philippines | 42 | Philippines | 47 |
| Sri Lanka | 3,638 | Laos | 76 | Vietnam | 33 | Sri Lanka | 44 | India | 55 |
| Philippines | 2,640 | Mongolia | 79 | Singapore | 35 | India | 52 | Vietnam | 56 |
| India | 1,751 | Philippines | 80 | Bangladesh | 40 | Pakistan | 86 | Sri Lanka | 68 |
| Vietnam | 1,685 | Vietnam | 83 | Myanmar | 60 | Laos | 96 | Laos | 83 |
| Laos | 1,531 | India | 91 | Sri Lanka | 61 | Vietnam | 100 | Cambodia | 90 |
| Myanmar | 1,309 | Cambodia | 93 | New Zealand | 66 | Mongolia | 113 | Nepal | 100 |
| Pakistan | 1,143 | Bangladesh | 101 | Nepal | 88 | Bangladesh | 117 | Mongolia | 104 |
| Cambodia | 1,021 | Nepal | 114 | Cambodia | 90 | Cambodia | 122 | Bangladesh | 107 |
| Bangladesh | 973 | Pakistan | 116 | Mongolia | 100 | Nepal | 126 | Pakistan | 126 |
| Nepal | 690 | Myanmar | 130 | Laos | 109 | Myanmar | 135 | Myanmar | 131 |
| Taiwan | — | Brunei | — | Brunei | — | Brunei | — | Brunei | — |

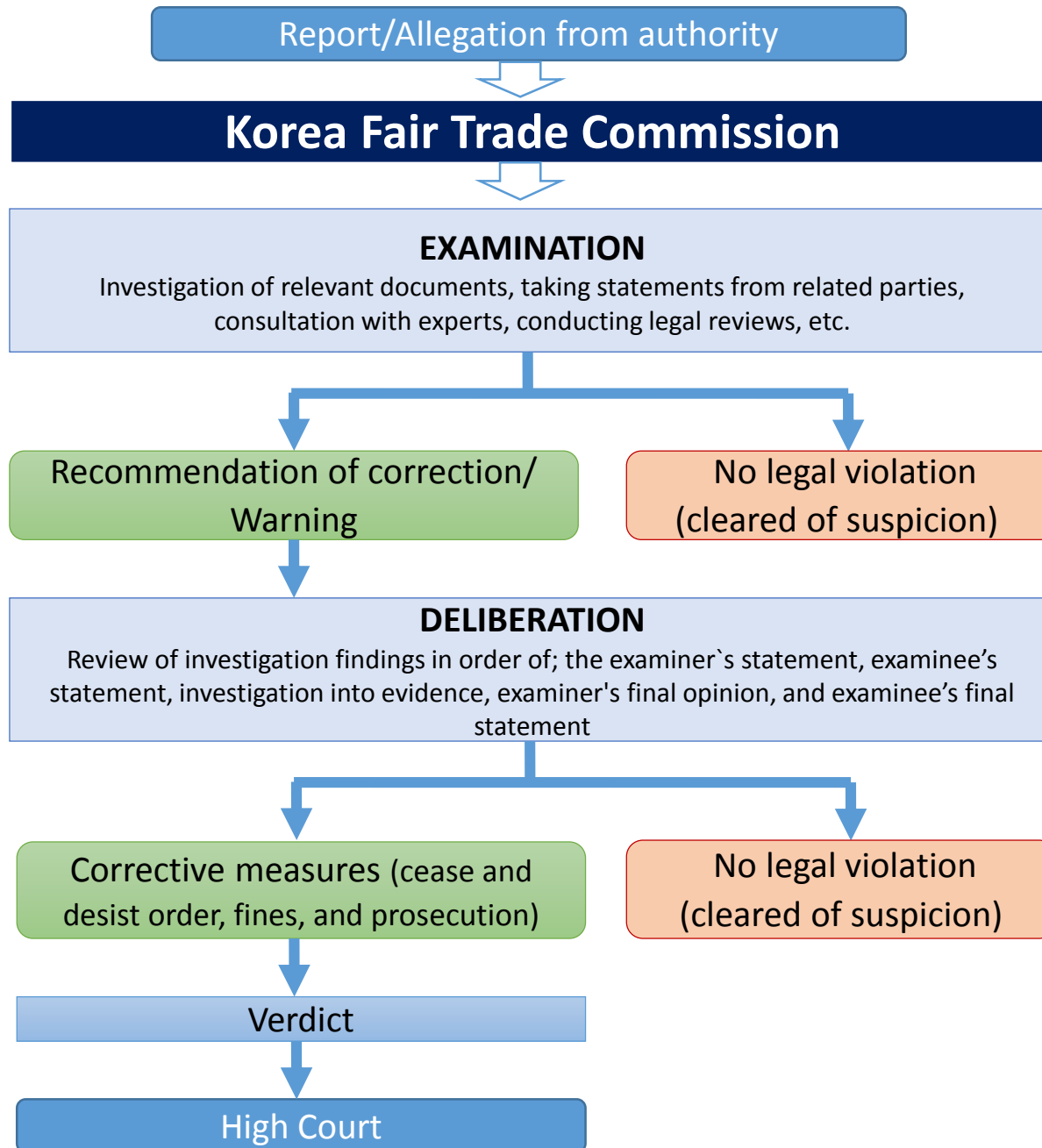
| Country | Year Competition Law was enacted | GDP Per Capita (US\$) * | | Income Classification ^ | | Index of Economic Freedom ** | | Status of Political & Civil Freedom ^^ | |
|-------------|----------------------------------|----------------------------------|--------|----------------------------------|---------------------|----------------------------------|------|--|-------------|
| | | When Competition Law was enacted | 2015 | When Competition Law was enacted | 2015 | When Competition Law was enacted | 2015 | When Competition Law was enacted | 2015 |
| Japan | 1947 | . | 47,150 | High Income | High Income | . | 73.3 | . | Free |
| Australia | 1974 | 27,365 | 54,708 | High Income | High Income | . | 81.4 | Free | Free |
| South Korea | 1980 | 3,911 | 25,023 | High Income | High Income | . | 71.5 | Partly Free | Free |
| New Zealand | 1986 | 25,844 | 36,801 | High Income | High Income | . | 82.1 | Free | Free |
| Taiwan | 1991 | . | . | High Income | High Income | . | 75.1 | Partly Free | Free |
| Mongolia | 1993 | 1,364 | 3,946 | Low Income | Lower Middle Income | . | 59.2 | Free | Free |
| Indonesia | 1999 | 2,071 | 3,834 | Low Income | Lower Middle Income | 61.5 | 58.1 | Partly Free | Partly Free |
| Thailand | 1999 | 3,363 | 5,775 | Lower Middle Income | Upper Middle Income | 66.9 | 62.4 | Free | Not Free |
| India | 2002 | 810 | 1,751 | Low Income | Lower Middle Income | 51.2 | 54.6 | Free | Free |
| Sri Lanka | 2003 | 1,947 | 3,638 | Lower Middle Income | Lower Middle Income | 62.5 | 58.6 | Partly Free | Partly Free |
| Singapore | 2004 | 38,117 | 51,855 | High Income | High Income | 88.9 | 89.4 | Partly Free | Partly Free |
| Vietnam | 2004 | 975 | 1,685 | Low Income | Lower Middle Income | 46.1 | 51.7 | Not Free | Not Free |
| Nepal | 2006 | 516 | 690 | Low Income | Low Income | 53.7 | 51.3 | Partly Free | Partly Free |
| China | 2007 | 3,488 | 6,497 | Lower Middle Income | Upper Middle Income | 52.0 | 52.7 | Not Free | Not Free |
| Pakistan | 2007 | 1,045 | 1,143 | Low Income | Lower Middle Income | 57.2 | 55.6 | Not Free | Partly Free |
| Malaysia | 2010 | 9,069 | 10,878 | Upper Middle Income | Upper Middle Income | 64.8 | 70.8 | Partly Free | Partly Free |
| Bangladesh | 2012 | 842 | 973 | Low Income | Lower Middle Income | 53.2 | 53.9 | Partly Free | Partly Free |
| Hong Kong | 2012 | 34,065 | 36,173 | High Income | High Income | 89.9 | 89.6 | . | . |
| Brunei | 2015 | 32,226 | 32,226 | High Income | High Income | 68.9 | 68.9 | Not Free | Not Free |
| Lao PDR | 2015 | 1,531 | 1,531 | Lower Middle Income | Lower Middle Income | 51.4 | 51.4 | Not Free | Not Free |
| Myanmar | 2015 | 1,309 | 1,309 | Lower Middle Income | Lower Middle Income | 46.9 | 46.9 | Not Free | Not Free |
| Philippines | 2015 | 2,640 | 2,640 | Lower Middle Income | Lower Middle Income | 62.2 | 62.2 | Partly Free | Partly Free |

Notes:

- * In constant 2010 US\$
- ^ Based on World Bank GNI per capita analytical classifications
- ** Measured on a scale of 0 (lowest) to 100 (highest); based on factors such as property rights, government integrity, judicial effectiveness, government spending, tax burden, fiscal health, business, labor, monetary, trade, investment, and financial freedom
- ^^ Based on a one-to-seven scale of political rights (PL) and civil liberties (CL), with 1 as the highest degree of freedom and 7 the lowest.; Until 2003, countries and territories whose combined average ratings for PR and CL fell between 1.0 and 2.5 were designated Free; between 3.0 and 5.5 Partly Free, and between 5.5 and 7.0 Not Free. Beginning with the 1 . Data unavailable

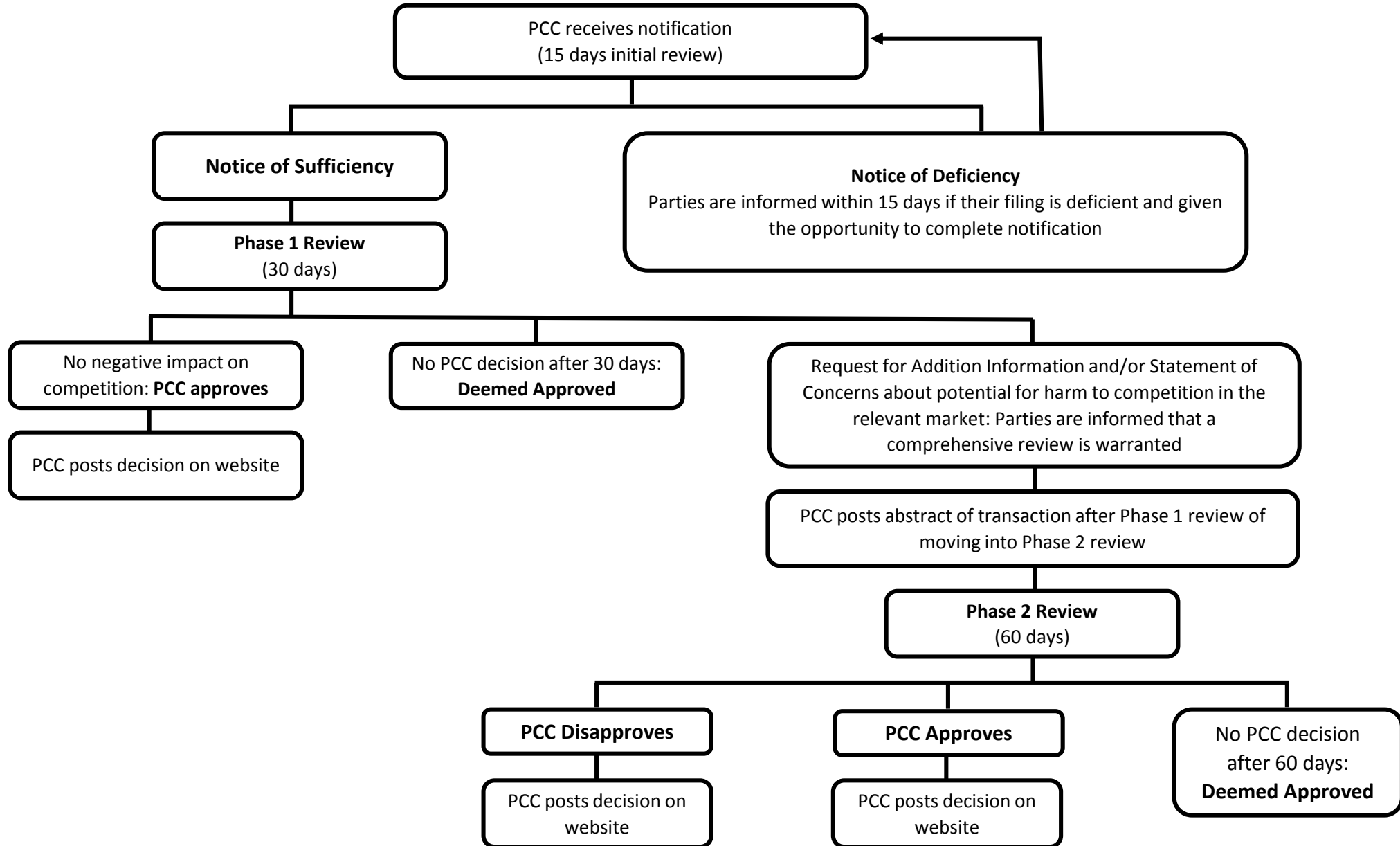
Source: World Bank; The Heritage Foundation; Freedom House





Procedure for Notification

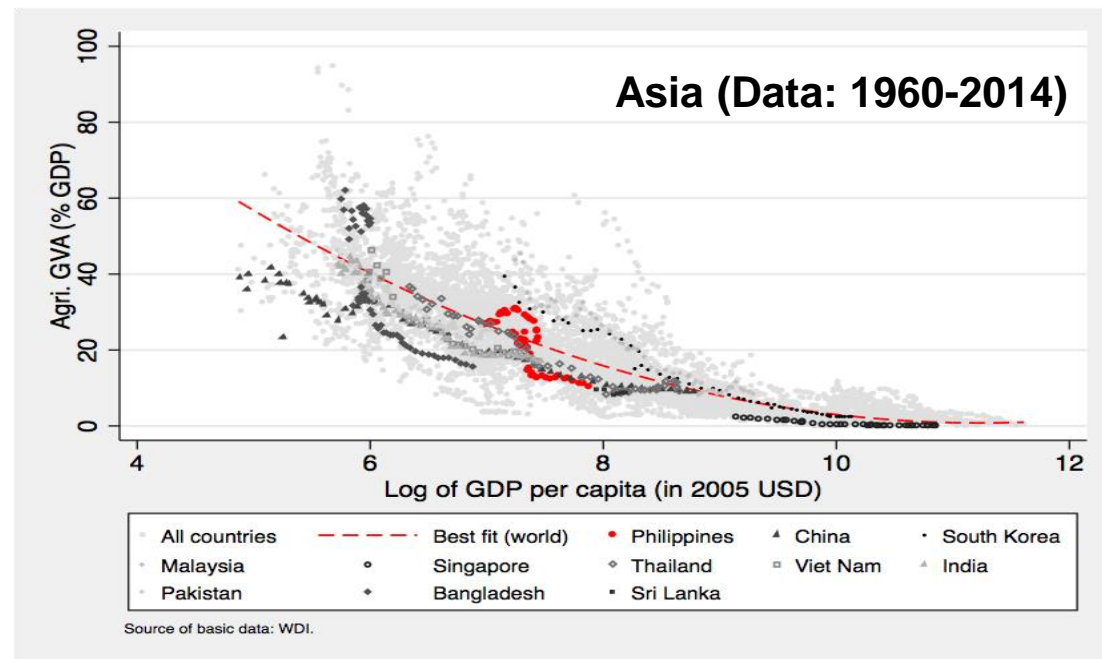
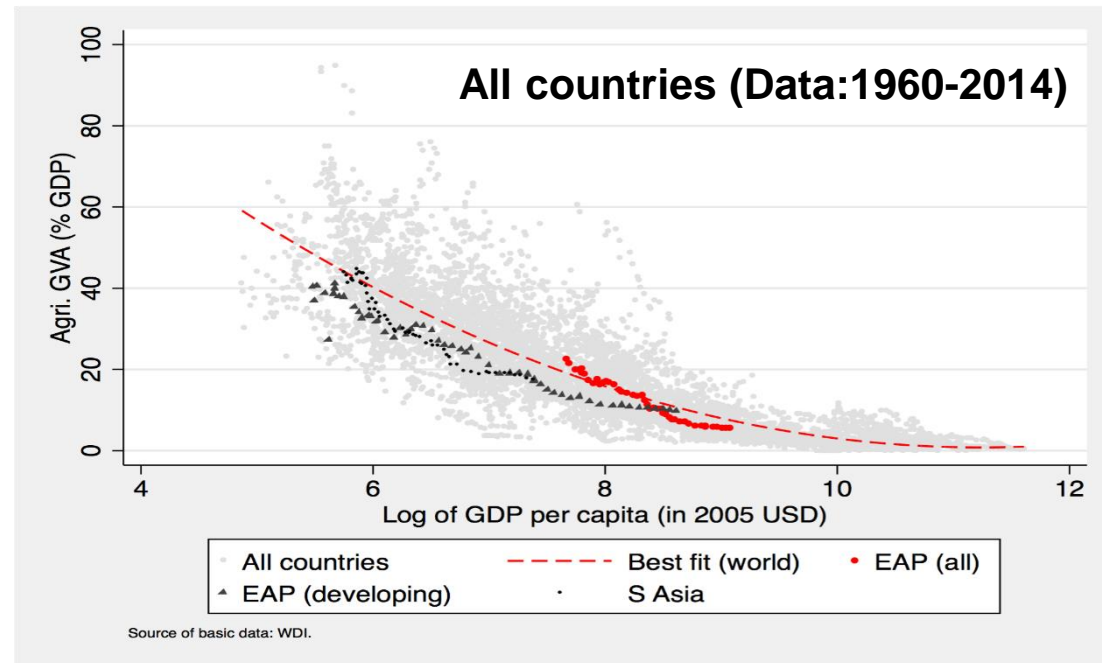
Mergers and Acquisitions Office (MAO)



What explains the likelihood of adopting competition policies?

| <i>Dependent Variable:</i> | LAW80-96 | LAW80-96 | LAW90-96 | LAW90-14 | LAW95-14 |
|---------------------------------------|--------------------------|--------------------------|--------------------------|----------------------------|------------------------------|
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| ECONCH 80-95/90-95/90-13/95-13 | 0.0678 (0.0558) | 0.0359 (0.0683) | 0.0889 (0.0667) | 0.1132 ** (0.0571) | - 0.0498 ** (0.0214) |
| GDPCAP 1996/2014 | 5.90(E-06) * (0.0000) | 3.70(E-06) (0.0000) | - 3.11(E-06) (0.0000) | 1.93(E-05) *** (0.0000) | - 5.26(E-06) *** (0.0000) |
| Peer pressure | – | 2.4928 *** (0.7523) | 1.7390 *** (0.4732) | 5.1414 *** (1.8372) | 0.5201 ** (0.2069) |
| Trade 1996/2014 | – | 0.0000 (0.0012) | 0.0012 (0.0009) | 0.0048 *** (0.0014) | - 0.0001 (0.0004) |
| Constant | - 0.8490 ** (0.3672) | - 1.9173 *** (0.4948) | -2.9993 *** (0.6151) | -5.0764 *** (1.0724) | - 2.0360 *** 0.6913 |
| N | 99 | 97 | 107 | 107 | 118 |
| With competition law | 65 | 65 | 72 | 70 | 80 |
| Without competition law | 34 | 32 | 35 | 37 | 38 |
| Model chi-square | 5.1500 | 17.5700 *** | 24.5400 *** | 17.8900 *** | 22.3800 *** |
| Pseudo R-square | 0.0453 | 0.2836 | 0.3115 | 0.6182 | 0.3447 |

Stylized fact of development: Is Asia different?



South Korea

| Time | Events |
|-------|---|
| 1963 | <ul style="list-style-type: none">– Sambun case expose. Several large corporations overcharging the domestic market for their products wheat flour, sugar, and cement. |
| 1964 | <ul style="list-style-type: none">– Draft competition law. Met with very strong objections from the business sector. |
| 1979 | <ul style="list-style-type: none">– Assassination of the incumbent President, military coup, and other unprecedented political events. |
| 1980s | <ul style="list-style-type: none">– Enactment of the Monopoly Regulation and Fair Trade Act (MRFTA).– MRFTA vs Chaebol. Even with the MRFTA in placed, the economic concentration of chaebol continued to increase.– Creation of Chapter 3 of the MRFTA on “Regulation of economic concentration,” which provides rules on regulating large scale companies |
| 1990s | <ul style="list-style-type: none">– The Asian financial crisis hit Korea. There was a view that the chaebol was the main culprit of the financial crisis in Korea.– As one of the conditions of the IMF for economic and corporate restructuring, the government amended various provisions of MRFTA.– The “Omnibus Cartel Repeal Act” was enacted which abolish 20 cartels previously allowed. |
| 2000s | <ul style="list-style-type: none">– “Clean Market Project” where KFTC switch to an integrated and comprehensive approach in its study and investigation– Announcement of an ambitious of “roadmap for market reforms.” The goal is to give companies incentives to establish internal and external monitoring system and ease or reduce government's direct regulations |

Thailand

| Time | Events |
|----------------------|--|
| 1979 | – Adoption of first competition law with the Price Control and Antimonopoly Act. The objective of the law was to protect consumers from high prices due to collusive practices among businesses. |
| 1990 1991 1992 | – The military appointed Anand Panyarachun, a respected diplomat-turned-businessman, as the country's Prime Minister after the political chaos that plagued the country – A new competition law was drafted but the parliament was dissolved before the law could be passed. |
| 1997 | – Asian financial crisis. |
| 1998 | – Advocates of competition restarted the process, especially since the 1997 Constitution of the Kingdom of Thailand provides the State to support the free economic system. |
| 1999 | – The Trade Competition Act and the Goods and Services Price Control Act were passed by the parliament under the Chuan government; effectively replacing the Price Control and Antimonopoly Act of 1979. It also created the Trade Competition Commission (TCC) as the body in charge of implementing the Law. |
| 1999-2013 | – The performance of the TCC has been dismal, especially after the January 2001 installment of the new government dominated by large businesses. In June 2013, 93 claims have been made to the TCC. |
| 2014 | – Commission Sub-Committee submitted the memorandum of opinion and recommendations on the drafting of the trade competition law and the Trade Competition Bill to the Prime Minister, National Legislative Council, and the National Reform Council on November 28, 2014. |
| 2014 2016-2017 | – Efforts to reform the Competition Act started. – The Cabinet passed a resolution to amend the Competition Act and was approved by the National Legislative Assembly. The new Competition Act is expected to come into force by the end of 2017. |

Philippines

| Time | Events |
|--------------|--|
| 1925 1932 | <ul style="list-style-type: none"> – Act to Prohibit Monopolies and Combinations in Restraint of Trade. – Revised Penal Code (RPC). The RPC was considered as the primary competition law in the country because of its applications to all sectors and its stipulated sanctions (Abrenica and Bernabe 2017). |
| 1987 | <ul style="list-style-type: none"> – A new Constitution was passed. Article 12, Sec. 9 provides “the State shall regulate or prohibit monopolies when the public interest so requires.” – Under this new constitution, the 8th Congress convened and three House Bills (HB) on competition, HB nos. 26204 (Monfort), 26308 (Verano-Yap), and 26560 (Dragon), have been filed. None of these bills passed beyond the first reading. |
| 1991 | <ul style="list-style-type: none"> – The Price Act was passed with its application limited only to basic necessities and prime commodities. |
| 1998-2001 | <ul style="list-style-type: none"> – Renewed interest and advocacy in competition laws among the lawmakers. Committee hearings were held during the 11th congress. However, none of the bills, went past the committee level |
| 2011 | <ul style="list-style-type: none"> - E.O. 45 was passed by Pres. Aquino III in 2011. The Department of Justice (DOJ) was designated as the Competition Authority. The Office for Competition (OFC) was created to investigate cases involving violations of competition laws and to enforce competition policies and laws, among other duties and responsibilities. |
| 2013 | <ul style="list-style-type: none"> - At the 15th Congress, the bill moved passed the second reading at the Senate and almost reached the second reading at the house. |
| 2014 | <ul style="list-style-type: none"> – 16th Congress. Pres. Aquino III certified the bill as urgent and priority bill. The Senate passed the bill on its second reading in 2014. |
| 2015 | <ul style="list-style-type: none"> – The principal sponsor of the House Competition bill unexpectedly passed away. This could have been a major setback but instead became a turning point when the lawmakers passed the bill on the second reading as a tribute to its deceased sponsor. – Passage of the Philippine Competition Act (PCA). |

| | Per-capita GDP (US\$) ^a | Goods Market Efficiency | Market Size | Business Sophistication | Global Competitiveness |
|-------------|------------------------------------|-------------------------|----------------|-------------------------|------------------------|
| Australia | 54,708 | Singapore 1 | China 1 | Japan 2 | Singapore 2 |
| Singapore | 51,855 | Hong Kong 2 | India 3 | Malaysia 13 | Japan 6 |
| Japan | 47,150 | Malaysia 6 | Japan 4 | Hong Kong 16 | Hong Kong 7 |
| New Zealand | 36,801 | New Zealand 8 | Indonesia 10 | Singapore 18 | Taiwan 15 |
| Hong Kong | 36,173 | Japan 11 | South Korea 13 | Taiwan 21 | New Zealand 16 |