

Synthesis and Ways Forward

Navigating the New Globalization: Local Actions for Global Challenges
PIDS Annual Public Policy Conference

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“The **weakening of antitrust enforcement, and the failure of regulation to keep up with changes in our economy** and the innovations in creating and leveraging market power, meant that **markets became more concentrated and less competitive.**”

Politics has played a big role in the increase in corporate rent-seeking and the accompanying inequality. **Markets don't exist in a vacuum; they have to be structured by rules and regulations, and those rules and regulations must be enforced.**”

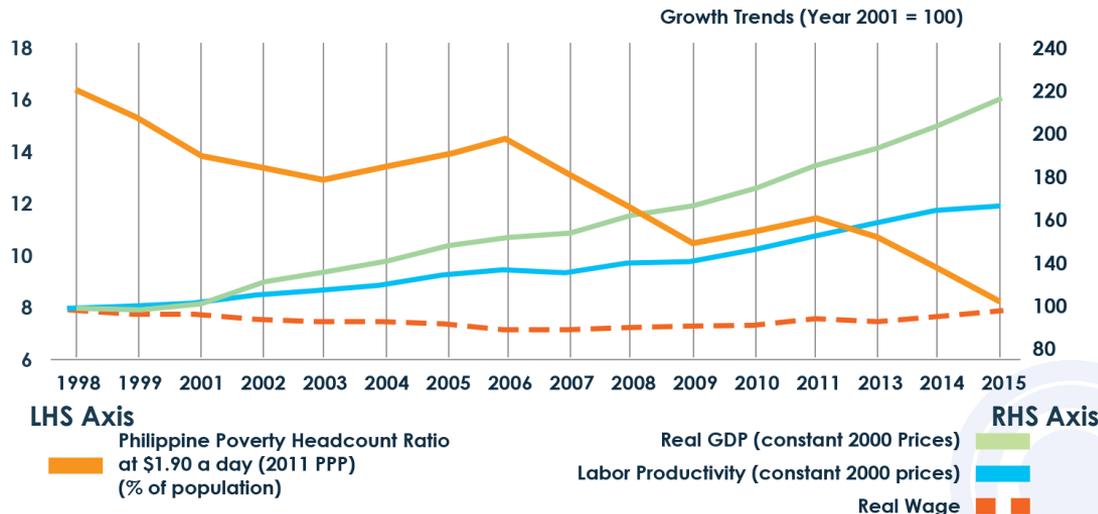
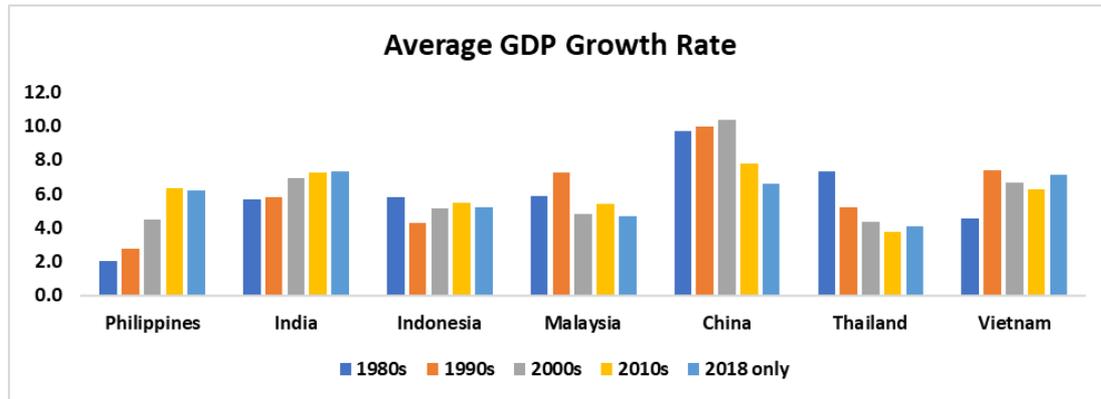
Joseph E. Stiglitz (2019)

Inequality in Philippine Development

- Since 2000: PH economy has been one of the fastest-growing emerging economies in Asia
- But serious concerns about the sustainability of growth

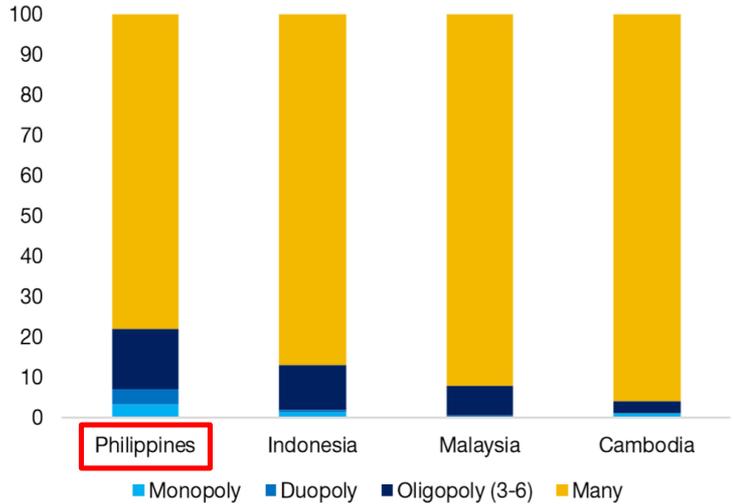
- **Weakly inclusive:**

- Real wages hardly changed
- Absolute deprivation (poverty) remained high

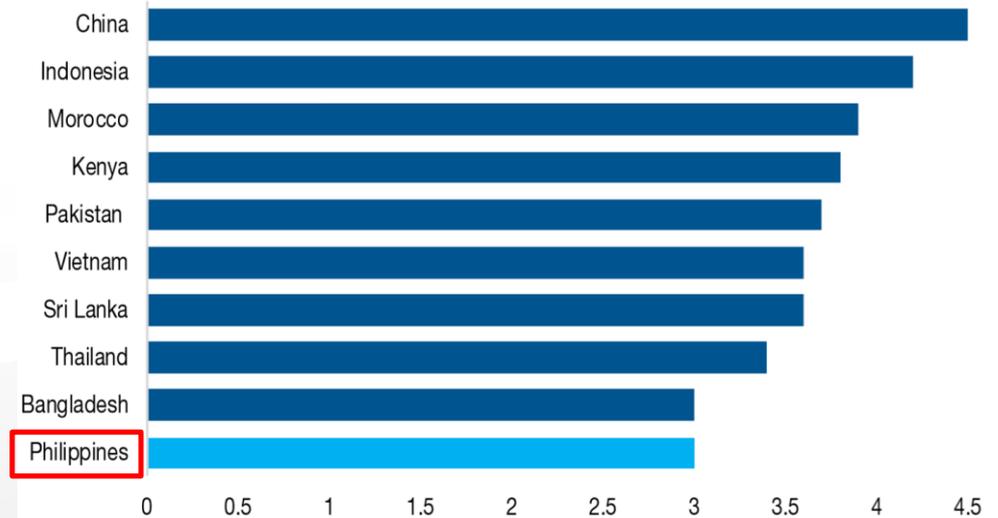


Risks from relatively high market concentration and dominance

Market concentration in manufacturing in the Philippines and selected EAP countries (in percent)



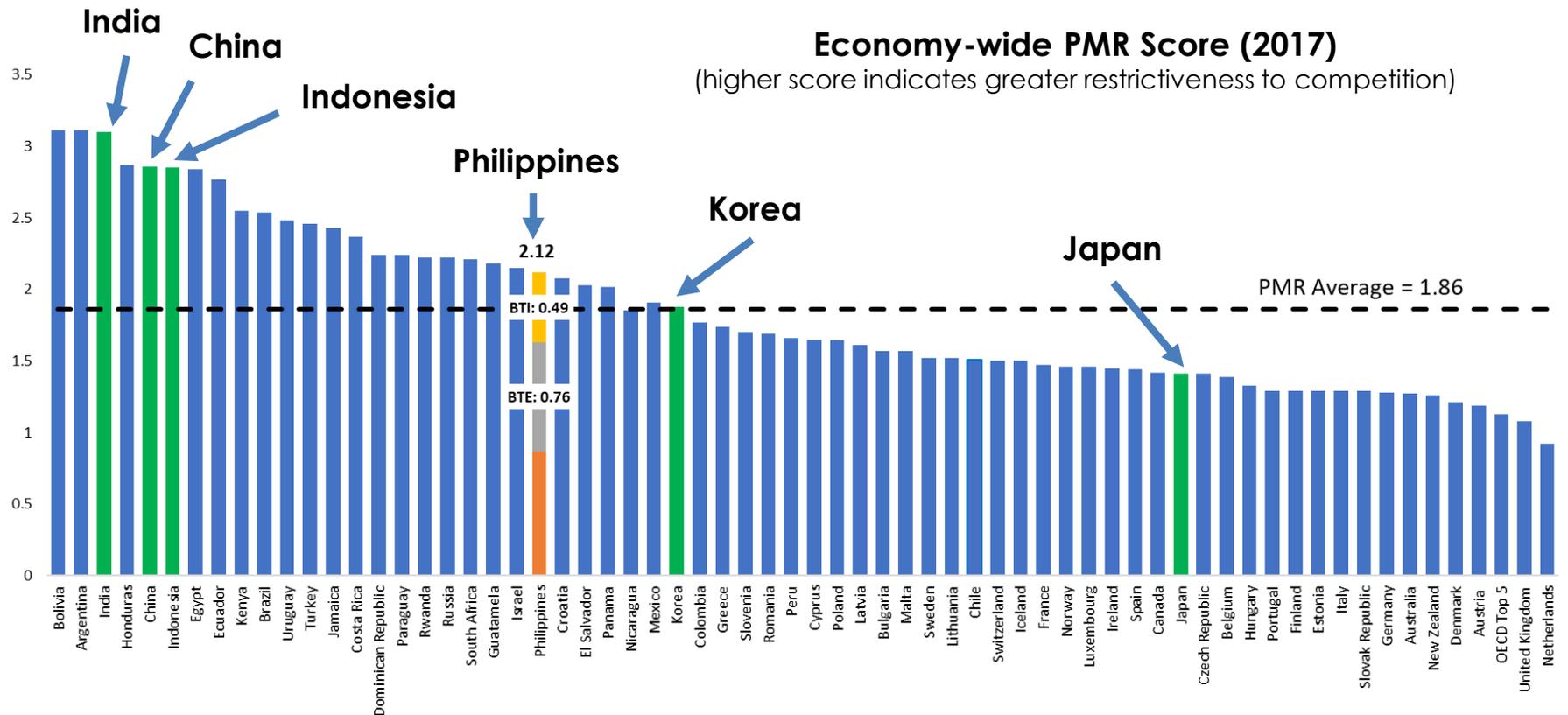
Market dominance (1= dominated by a few business groups; 7 = spread among many firms)



Proportion of markets highly concentrated: Manuf, >40%; Wh/Re Trade, 50%; Transport/Storage, 90%

The Philippine Context

Comparatively high level of competition restrictiveness



Competition Policy & Development

- Competition policy is a **means to enhance the ability of markets** to deliver economic welfare.
 - Lower prices
 - More choices
 - Better quality
 - Greater innovation
- Competition policy is part and parcel of the government's **development strategy** aimed at achieving and sustaining **rapid and inclusive economic growth**.

Market power has a substantial impact on wealth inequality.

OECD countries: The wealth of the top decile increases by about a fifth in the presence of market power.

TABLE 5.19 Comparative Impacts of Market Power in the Eight Countries of Analysis
Percent

Country	Actual wealth share of top decile (A)	Wealth share of top decile with no market power (B)	Impact of market power (A-B)/B
Australia	50.4	42.7	17.9
Canada	57.7	46.5	24.1
France	62.7	57.1	9.9
Germany	60.7	52.7	15.2
Japan	46.2	37.8	22.3
Korea, Rep.	60.7	49.4	22.8
United Kingdom	53.0	43.7	21.3
United States	76.0	62.7	21.2

Source: Ennis & Kim (2016)

PCC Mandate

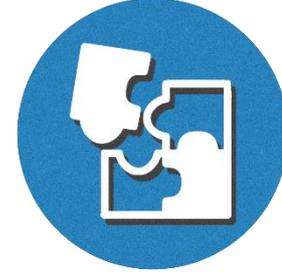
Antitrust authority enforcing prohibitions against:



ANTI-COMPETITIVE
AGREEMENTS



ABUSES OF
DOMINANT POSITION



ANTI-COMPETITIVE
MERGERS & ACQUISITIONS

Competition policy and advocacy champion:

CONDUCT OF
MARKET STUDIES



ADVOCACY FOR
PRO-COMPETITIVE
GOVERNMENT
POLICIES

Priorities for Enforcement and Advocacy

2020

- telecommunications
- electricity
- transportation
- construction
- retail/e-commerce
- food/food manufacturing
- health/pharmaceuticals

Priority sectors for competition enforcement, research and advocacy

Chosen based on assessment of:

- ✓ **impact on consumers**
- ✓ **probability of enforcement success**
- ✓ **legislative priorities**

- ✓ Need to **revisit/rethink analytical frameworks & enforcement tools** in recognition of the complexities introduced by Big Tech
- ✓ Coordination with sector regulators (MOAs)
- ✓ Cooperation and coordination with competition authorities in other jurisdictions

Thank you.



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