

Chapter 10

Promote Competition and Improve Regulatory Efficiency

The Philippines will continue to cultivate market competition and improve regulatory efficiency through a whole-of-government approach. This entails leveraging digitalization and partnerships to enhance productivity, expedite economic liberalization reforms, and strengthen competition enforcement, ultimately boosting economic growth and transforming the country's productive sectors.

In the first three years of Plan implementation, the national government, led by the Philippine Competition Commission (PCC), ensured timely investigation of cases, adapted to digital-era challenges, and collaborated with law enforcement authorities to curb anti-competitive practices. Efforts to ease business entry were strengthened through the easing of foreign investment restrictions in key sectors, public services, and retail enterprises. Meanwhile, advocacy and capacity-building initiatives such as the Champions of Competition (COC) Program continued to foster competition practices among government and private sector stakeholders.

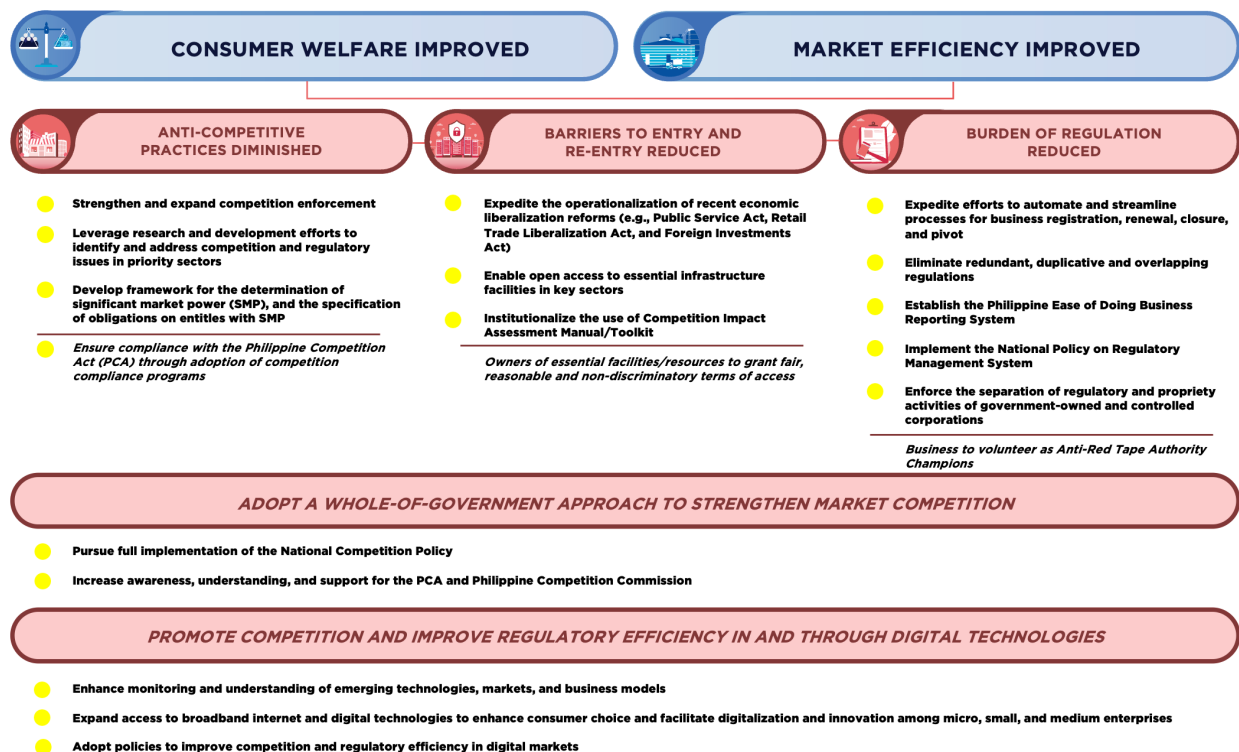
Landmark regulatory reforms, including the enactment of the New Government Procurement Act (NGPA) and the issuance of National Electrification Administration (NEA) Memorandum Circular No. 2024-18, enhanced regulatory efficiency, enabling a more competitive and investor-friendly environment.

In the next three years, the government will pursue the full implementation of the Philippine Competition Act (PCA) and implement strategies to further enhance market efficiency and consumer welfare. These efforts will focus on deterring anti-competitive practices, encouraging market entry, and supporting innovation.

Accomplishments

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Figure 10.1 Strategy Framework to Promote Competition and Improve Regulatory Efficiency



Enhanced capacity and inter-agency collaboration drove decisive actions against anti-competitive behavior. The continued partnership between the PCC, Philippine National Police (PNP), and National Bureau of Investigation (NBI) enabled joint investigations and enhanced information sharing. These efforts were supported by upgraded digital forensic tools and trained personnel, boosting the effectiveness of case investigations. In July 2024, the PCC started the formal investigation of cases regarding possible anti-competitive agreements in the supply of imported onions. The establishment and operationalization of Investigation and Collaboration Stations (iStations) in Cebu and Davao further strengthened market monitoring, resulting in eight enforcement cases. Meanwhile, the enhanced Bid Rigging Screening Tool (BiRST) was instrumental in the initiation of formal investigations and was piloted in procurement activities in the Quezon City LGU, advancing transparency and accountability at the local level.

Liberalization policies opened markets and enabled fair competition. The Amended Public Service Act (RA 11659) enabled 100 percent foreign ownership in public services including airports, railways, and telecommunications. To support this reform, six key

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regulatory agencies released operational guidelines that reinforce the country's shift toward modern, open, and inclusive public service delivery.

Efforts to improve ease of doing business and the regulatory management system have fostered a more efficient and responsive governance. Through the National Effort for the Harmonization of Efficient Measures of Inter-Related Agencies (NEHEMIA) Program, Executive Order No. 32 was issued to remove redundant permits for telecommunications infrastructure. The program also launched the Agriculture Initiative to streamline processes for critical production inputs, machineries, and support fund access for production costs. Meanwhile, regulatory reviews under the Modernizing Government Regulations Program (MGRP) covered seven priority sectors, facilitating the development of actionable recommendations for regulatory reform. Relative to the implementation of the National Policy on Regulatory Management System (NPRMS), the compliance of national government agencies and entities with the submission of Annual Regulatory Plans (ARPs) reached an average compliance rate of 53 percent.

Capacity-building on competition law strengthened competition practices nationwide. Initiatives like the Capacity Building to Foster Competition Project (CBFCP) and the Online Learning Hub on Competition Law and Policy (iCLP) trained over 400 professionals from national and local governments on competition law. Furthermore, Regulatory Impact Assessment (RIA) courses, which have incorporated lectures on Competition Impact Assessment (CIA), enabled policymakers to evaluate policies through a pro-competition lens.

Digital innovation accelerated regulatory transformation and market access. As of October 2024, 112 LGUs achieved full compliance with the Electronic Business One-Stop Shop (eBOSS), enhancing efficiency in business permitting. The integration of LGU and NGA processes in the Philippine Business Hub reduced the registration process to just six steps over three days, from 13 steps and 33 days. The passage of the Internet Transactions Act (RA 11967) and the issuance of its IRR provided a strong legal framework for fair competition in the digital economy.

Building on the chapter's progress from 2023 to 2024, the road towards 2028 requires stronger interagency coordination, deeper local engagement, and expanded digital inclusion. Alignment between local and national regulations, enhanced institutional capabilities, and continued investment in physical and digital infrastructure will be critical in realizing the country's vision of a competitive and inclusive economy.

Implementation of the Transformation Agenda

The chapter contributes to advancing the transformation agenda on digitalization, technology and innovation, connectivity, national and local collaboration, and leveraging the role of private sector.

The **use of digital platforms** streamlined business registration to reduce processing time. Likewise, investigation and enforcement capabilities were strengthened by upgrading digital forensic tools, while competition policy continues to be promoted through online courses on competition law and policy.

The passage of key policy reforms improved market access and reduced barriers to entry, ensuring connectivity and enabling healthy market competition.

National and local collaboration was fostered to detect and prosecute anti-competitive practices, strengthening regulatory enforcement across different levels of governance. Moreover, **advocacy and capacity-building programs were implemented to effectively apply competition principles and ensure fair market practices at the local level.**

The government leveraged the role of the private sector through policies that balance regulatory oversight and business innovation. The timely passage of the Internet Transactions Act further ensured fair competition in the e-commerce sector while protecting consumer rights. Studies on digital markets also provided insights on regulating the sector. Additionally, the easing of foreign investment restrictions in public services, renewable energy, and retail enterprises has encouraged greater private sector participation.

Collectively, these initiatives contribute to the transformation agenda by fostering an open and competitive economic environment, enabled by strengthened government and private sector partnerships, and enhanced connectivity.

Action Plan

Competitive markets drive innovation, lower prices, and expand choices for consumers, while sound regulations ensure that these benefits are widely shared and sustained. The government remains firmly committed to the consistent and effective enforcement of the PCA and related policies. To uphold the integrity of markets and protect consumer welfare, the government will continue pursuing specific strategies including deterring cartel behavior, preventing abuse of dominance, and scrutinizing anti-competitive mergers and acquisitions.

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Reducing barriers to entry and re-entry, especially for micro, small, and medium enterprises (MSMEs), is also a key priority. By promoting open and fair markets and streamlining regulations, the chapter aims to level the playing field and create an enabling environment for all businesses to compete, grow, and thrive.

Updated Strategy Framework

While the previous strategy framework of this chapter emphasized specific policies to enhance competition and regulatory efficiency in digital markets, the updated strategy has been integrated into a broader digitalization agenda. This shift acknowledges that fostering fair competition and sound regulation is essential across all sectors undergoing digital transformation. The government aims to ensure that technological advancements lead to inclusive growth, innovation, and improved consumer welfare. This integrated approach lays the foundation for a vibrant, equitable, and future-ready economy where businesses thrive and consumer interests are safeguarded.

Figure 10.2 Updated Strategy Framework to Promote Competition and Improve Regulatory Efficiency



Strategies

Outcome 1: Anti-competitive practices diminished

Strengthen and expand competition enforcement

Partnerships that enforce competition laws and policies will be strengthened. The PCC, in collaboration with the NBI and the PNP, will continue the conduct of joint investigations and workshops to strengthen capacities on detection of anti-competitive activities. A centralized platform for real-time data sharing, case tracking, and efficient communication will be developed.

The four iStations in Baguio, Legazpi, Cebu, and Davao will continue their operations to enhance the enforcement of competition law across key economic sectors in their respective regions.

Furthermore, the BiRST will be rolled out in key agencies and integrated into existing bidding platforms and processes to ensure accountability and transparency in public bidding. The Government Procurement Policy Board – Technical Support Office (GPPB-TSO) will publish an annual report identifying potential indicators of bid rigging and anti-competitive practices. A memorandum of agreement (MOA) between the PCC and the GPPB-TSO will be forged to ensure the tool's alignment with the NGPA.

Leverage research and development (R&D) efforts to identify and address competition and regulatory issues in priority sectors

R&D and market studies will be expanded to identify and address key regulatory and competition concerns. The Department of Justice – Office for Competition's (DOJ-OFC) R&D studies will cover broader agricultural supply chain reforms, targeting systemic issues like hoarding, price manipulation, and cartel-like practices across various commodities. Meanwhile, the PCC will conduct policy dialogues on the findings and recommendations of the market studies on competition policy reform to inform and engage sector regulators towards the adoption of pro-competition policies.

Develop a framework for the determination of significant market power (SMP), and the specification of obligations on entities with SMP

A framework for SMP and its corresponding guidelines and principles will be developed. To facilitate its effective adoption, the PCC will conduct capacity-building activities on the framework's implementation, operationalization, and conceptual implications within relevant markets.

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Ensure compliance with the Philippine Competition Act (PCA) through adoption of competition compliance programs

Businesses will develop their own competition compliance programs (CCPs) to strengthen practices on PCA compliance within the organization. The Competition Compliance Toolkit developed by the PCC will be utilized to assist businesses in the creation of their CCPs.

Outcome 2: Barriers to entry and re-entry reduced

Expedite the operationalization of recently enacted economic liberalization reforms

All regulatory agencies will issue and fully implement their sectoral guidelines and circulars pursuant to the Amended Public Service Act (RA 11659). In parallel, the Department of Economy, Planning, and Development (DEPDev) will ensure the timely issuance of the Regular Foreign Investment Negative List (RFINL), as a guide on laws and regulations recently enacted and/or currently in effect governing foreign equity investments.

Institutionalize the use of Competition Impact Assessment Manual/Toolkit

Review of potentially competition-restrictive laws, bills, policies, and regulations will be prioritized. The PCC will implement their recently-finalized CIA Internal Guidelines in the review of policies that potentially restrict competition in key markets. The same guidelines will be used to inform the CIA modules incorporated in the RIA trainings of DAP.

Outcome 3: Burden of regulation reduced

Expedite efforts to automate and streamline processes for business registration, renewal, closure, and pivot

Efforts to promote ease of doing business will be intensified. Under the NEHEMIA Program, the Anti-Red Tape Authority (ARTA) will conduct whole-of-government approach by conducting reengineering and streamlining process workshops in key sectors. The program will also expedite the establishment of the Electronic Mining One-Stop Shop (eMOSS) and a Unified Mapping System by 2028. ARTA will enter into a MOA with the Department of the Interior and Local Government (DILG), Department of Energy (DOE), and the LGUs for a seamless integration of licensing processes in the Energy Virtual One-Stop Shop (EVOSS) system.

The Unified Logistics Pass (ULP) system will be enhanced to cover all ports and LGUs. ARTA will pursue the issuance of an executive order and joint memorandum circular on standardizing permitting processes, reducing redundancies, and streamlining clearances for water and wastewater infrastructure projects. These efforts will be reinforced by a

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nationwide cascading of the implementation guidelines. Finally, the telecommunications (telco) initiative of the program will focus on the following: (a) nationwide telco tower mapping initiative; (b) improvement of connectivity in geographically-isolated and disadvantages areas; and (c) development and implementation of the Telecommunications Monitoring Dashboard for Connectivity.

ARTA will continue its partnership with New Zealand Trade and Enterprise (NZTE) and focus on key areas related to service design and delivery, capacity and capability building, technology transfer and adoption related to e-governance, government technology, and innovation methods and practices.

Eliminate redundant, duplicative, and overlapping regulations

Systems that improve the quality of regulatory services will be established. A National Regulatory Quality Management System (RQMS) Implementation Roadmap will be developed and piloted through full-cycle implementation in selected regulatory agencies.

Establish the Philippine Ease of Doing Business Reporting System

Key reforms under the Philippine Ease of Doing Business (EODB) Reform Guidebook will be implemented. ARTA will establish monitoring and evaluation (M&E) mechanisms, including templates for internal audits, compliance tracking, and self-assessment and recognition mechanisms (e.g., awards, performance incentives).

Implement the National Policy on Regulatory Management System

The National Policy on Regulatory Management System will be institutionalized. ARTA will roll out and implement the amended NPRMS Memorandum Circular and the RIA guidelines for LGUs with a transitory period of two to three years.

Enforce the separation of regulatory and propriety activities of government-owned and controlled corporations

Decoupling of Government-Owned or Controlled Corporations (GOCCs) with regulatory and proprietary activities will be studied to address conflicts of interest and ensure fair competition. The Governance Commission for GOCCs (GCG) will complete the study on the regulatory and proprietary functions of 119 GOCCs and identify the appropriate organizational structure by which GOCCs can efficiently perform these roles. Applying the appropriate structure is crucial to maintain a level playing field and

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prevent situations where a GOCC's regulatory actions might favor its own proprietary interests.

Cross-cutting strategy: Adopt a whole-of-government approach to strengthen market competition

Pursue full implementation of the National Competition Policy

The National Competition Policy will be enforced through enhanced capacity building and innovative tools. The PCC will conduct capacity-building sessions for selected regional offices and iStation staff to enhance understanding of the National Competition Policy (NCP) and CIA. Courses offered through the iCLP will be expanded with sector-specific competition modules, interactive learning tools, case studies and simulations. Competition law courses will also be regularly offered through the Mandatory Continuing Legal Education (MCLE) program, with additional lectures on specific topics.

Under the Policy Reform, Innovation, and Streamlining Management (PRISM) platform, an Analytical Lenses Workbook and Core Regulatory Management Curriculum will be developed. New courses will also be included in the platform, covering key areas such as policy reform, innovation, and governance, Annual Regulatory Plan, and Anti-Red Tape Electronic Management Information System (ARTEMIS).

Consultation Clinics on RIA will be scaled up to accommodate additional agencies, including those with more complex regulatory frameworks. Furthermore, advanced clinics will be conducted focusing on specialized RIA topics such as cost-benefit analysis, risk assessment, and regulatory alternatives analysis.

Increase awareness, understanding, and support for the Philippine Competition Act and Philippine Competition Commission

The Competition Advocacy Pledge (CAP) program will be enhanced by clearly defining the role of trade associations and business chambers in championing Competition Law and Policy (CLP).

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Cross-cutting strategy: Promote competition and improve regulatory efficiency in and through the internet and digital technologies

Enhance monitoring and understanding of emerging technologies, markets, and business models

Key issues in e-commerce will be addressed through continuous interagency collaboration. The Department of Trade and Industry (DTI) will spearhead the full implementation of the IRR of the Internet Transactions Act of 2023, which aims to regulate e-commerce towards the protection of consumer rights, data privacy, and intellectual property rights.

Adopt digitalization policies to improve competition and regulatory efficiency

Regulatory processes will be fully streamlined and automated through the institutionalization of the eBOSS Program across all cities and municipalities in the country. Moreover, the government will ensure LGUs' full compliance with the program.

Targets

In response to the discontinued key data sources for the chapter's original indicators – specifically the World Economic Forum's Global Competitiveness Report (WEF GCR) after 2020 and the World Intellectual Property Organization's Global Innovation Index (GII)'s non-inclusion of certain indicators in 2023 – the government has taken proactive steps to update this chapter's core indicators to ensure robust monitoring of competition and regulatory efficiency.

The new core indicators are drawn from the Bertelsmann Stiftung's Transformation Index (BTI) and the World Bank's Entrepreneurship Database. These alternative sources ensure continuity in evaluating the chapter's outcomes. Through the revised core indicators, the government remains committed to achieving and surpassing its targets, building on the country's improved "Regulatory Quality" rank and score and the gains in the chapter's aggregate output measures.

Table 10.2 Updated Results Matrix: Promote Competition and Improve Regulatory Efficiency

Indicator ^{III}	Baseline Value (Year)	Accomplishment		Updated Targets			Means of Verification	Responsible Agency/ Inter-agency body
		2023	2024	2026	2027	2028		

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Chapter Outcome 1: Consumer Welfare Improved								
Chapter Outcome 2: Market Efficiency Improved								
Rank and score in 'Organization of market and competition' criteria improved – Rank (Score)	Top 31% Score: 7.0 (2024)	N/A*	N/A*	Top 29% Score: 7.4	N/A**	Top 27% Score: 7.5	BTI	All agencies, with PCC as lead
Subchapter Outcome 1: Anticompetitive practices diminished								
Rank and score in 'Market organization' indicator improved – Rank (Score)	Top 23% Score: 6.0 (2024)	N/A*	N/A*	Top 21% Score: 7.0	N/A**	Top 19% Score: 8.0	BTI	DTI
Rank and score in 'Competition policy' indicator improved – Rank (Score)	Top 48% Score: 5.0 (2024)	N/A*	N/A*	Top 46% Score: 6.0	N/A**	Top 44% Score: 7.0	BTI	PCC
Subchapter Outcome 2: Barriers to entry and re-entry reduced								
Rank and score in 'Liberalization of Foreign Trade' indicator improved – Rank (Score)	Top 27% Score: 8.0 (2024)	N/A*	N/A*	Top 25% Score: 9.0	N/A**	Top 23% Score: 9.0	BTI	DTI
Rank and rate in 'New business density' indicator improved – Rank (Rate)	Top 93% Rate: 0.34 (2022)	N/A*	N/A*	Top 91% Rate: 0.48	Top 89% Rate: 0.49	Top 87% Rate: 0.49	World Bank's Entrepreneurship Database	DTI, SEC, PCC, ARTA
Subchapter Outcome 3: Burden of regulation reduced								
Rank and score in 'Regulatory Quality' improved – Rank (Score)	Top 45% Score: 0.08 (2021)	Top 42% Score: 0.16***	TBA*** *	Top 42% Score: 0.17	Top 41% Score: 0.19	Top 40% Score: 0.20	World Bank Worldwide Governance Indicators Report	ARTA, DAP

* - This is a newly adopted indicator; therefore, no prior targets were established to assess progress.

** - The index associated with this indicator is not scheduled for publication during this year. Consequently, data for this indicator will not be available for monitoring and evaluation purposes.

*** - Revised accomplishment from the 2024 Philippine Development Report, based on recomputation.

**** - World Bank will release data for this indicator in September 2025.

^[1] List of Removed Core Indicators for Chapter 10 (Promote Competition and Improve Regulatory Efficiency):

- Global Competitiveness Index (GCI) Rank and Score – WEF discontinued the publication of the GCR after its 2020 Special Edition.
- Product Market Efficiency Rank and Score – WEF discontinued the publication of the GCR after its 2020 Special Edition.
- Extent of Market Dominance Rank and Score – WEF discontinued the publication of the GCR after its 2020 Special Edition.
- Market Size Rank and Score – WEF discontinued the publication of the GCR after its 2020 Special Edition.
- Burden of Government Regulation Rank and Score – WEF discontinued the publication of the GCR after its 2020 Special Edition.
- Business Dynamism Rank and Score – WEF discontinued the publication of the GCR after its 2020 Special Edition.
- New Business Density Rank and Score – WIPO dropped this indicator from the GII in 2023.

Legislative Agenda

Reforms will be pursued to reduce barriers to entry and to strengthen and ensure market competition. Table 10.3 contains priority bills for the 20th Congress to promote competition and improve regulatory efficiency.

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Table 10.3 Legislative Agenda to Promote Competition and Improve Regulatory Efficiency

Legislative Agenda	Rationale/Key Features	Responsible Agency
Amendment of the Magna Carta for MSMEs (RA 9501, amending RA 6977)	Improve financial support and technical capacity-building programs for MSMEs to enable them to compete with larger firms in the market.	DTI
National Telecommunications Commission (NTC) Modernization Act	Provision of additional powers and functions to the NTC, especially in terms of spectrum assignment, recall, and reassignment.	NTC, PCC
Open Access in Data Transmission Act (Konektadong Pinoy Act)	Increase competition in the provision of broadband services; ensure efficient, transparent, and dynamic spectrum management.	DICT, NTC, DEPDev