

## COMPETITION ENFORCEMENT OFFICE

### Closure of investigation on alleged anti-competitive conduct in the provision of domestic passenger and cargo transport services in the Visayas, Mindanao, and Bicol areas

|                              |   |                                                                                                                                                                                               |
|------------------------------|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Industry</b>              | : | Provision of domestic passenger and cargo transport services in the Visayas, Mindanao, and Bicol areas                                                                                        |
| <b>Case Reference</b>        | : | CEO-25-0138-PI                                                                                                                                                                                |
| <b>Case Closed</b>           | : | 20 November 2025                                                                                                                                                                              |
| <b>Issue(s)</b>              | : | Anti-competitive agreement and abuse of dominance by imposing barriers to entry in the provision of domestic passenger and cargo transport services in the Visayas, Mindanao, and Bicol areas |
| <b>Relevant Provision(s)</b> | : | Section 14(a)(1) and 15(b) of the Philippine Competition Act                                                                                                                                  |

#### I. Background

1. On 13 August 2025, the Philippine Competition Commission (PCC or the “Commission”) received a Verified Complaint dated 06 August 2025 (the “Complaint”) filed by Mr. Antero Doyon (the “Complainant”) against Mr. Lucio Lim, Jr., Lite Shipping Corporation (LSC), and Sunline Shipping Corporation (SSC) (collectively, the “Respondents”). The Complaint alleged violations of Sections 14(a)(1), 14(b)(1), 14(c), and 15(b) of the PCA.
2. The Complainant is the sole proprietor of ALD Sea Transport (“ALD”), which is engaged in the sea transport charter service, operating domestic shipping services in the maritime transport industry.
3. Respondent Mr. Lim is the chairman of the board of directors of LSC and SSC, as well as the president of LSC. LSC and SSC are domestic shipping corporations engaged in inter-island passenger and cargo shipping. SSC is a wholly owned subsidiary of LSC.
4. As alleged in the Complaint, ALD was granted the 3<sup>rd</sup> amendment of its Certificate of Public Convenience (CPC). This allowed its chartered vessel, LCT

Poseidon 24, to serve the route from Mandaue, Cebu to Loon, Bohol and vice versa.

5. It was alleged that Mr. Lim invited Mr. Doyon and other shipping operators to a meeting to discuss higher uniform rates for all cargo and passenger vessels plying Visayas, Mindanao, and Bicol. Mr. Doyon attended the meeting but did not agree to the proposed terms.
6. According to the Complaint, after the meeting, Mr. Lim filed an administrative complaint against Mr. Doyon with the Maritime Industry Authority Regional Office VIII (MRO-VIII) for cancellation of the Certificate of Public Convenience of ALD for allegedly violating several MARINA rules and regulations. MRO-VIII ruled against the cancellation but fined Mr. Doyon for abandonment of ALD's Mandaue-Loon Route for two years. Mr. Lim then appealed the decision to the MARINA Central Office. During the pendency of the appeal, MRO-VIII withheld the issuance of a special permit allowing Mr. Doyon to resume operations along the Mandaue-Loon route.
7. The Complaint alleged that Mr. Lim set the abovementioned meeting with Mr. Doyon and the other shipping operators to enter into a price-fixing agreement. When an agreement could not be reached, Mr. Lim, through LSC and SSC, abused his dominant position by filing with MRO-VIII a complaint against Mr. Doyon, and appealing the decision to the MARINA Central Office. As a result of these actions, Mr. Doyon was prevented from plying the Mandaue-Loon route.
8. On 22 August 2025, the Commission resolved to grant due course to the Complaint and directed the Enforcement Office to proceed with the conduct of a preliminary inquiry (PI) for possible violation of Sections 14(a)(1) and 15(b) of the PCA or other competition laws. PI Commenced.
9. During the PI, the Enforcement Office found that:
  - 9.1. Although there was a meeting that took place among several shipping operators based in or with operations in Cebu, the participants did not agree to fix the rates for passenger and cargo vessels. There was no evidence of an agreement that could be in violation of Section 14(a)(1) of the PCA. The Enforcement Office was able to verify this by gathering statements from the Complainant himself, the Respondents, and the other shipping operators.
  - 9.2. Regarding the complaints filed by the Respondents with the MARINA and MRO-VIII, these were filed due to the Complainant's unsafe vessels and alleged contravention of MARINA rules and regulations.
  - 9.3. Apart from the allegations in the Complaint, the investigation yielded no further proof of the anti-competitive conduct employed by the

Respondents in the filing of their complaints. On the other hand, the Respondents were likewise able to provide documents and information that justify their conduct as a valid exercise of their rights under the law.

## **II. Conclusion**

13. Accordingly, on 20 November 2025, pursuant to Section 2.6 of the 2017 Rules of Procedure of the PCC, the Enforcement Office RESOLVED to CLOSE the PI due to insufficiency of information available and evidence gathered to constitute reasonable grounds to proceed to the conduct of a full administrative investigation, without prejudice to any other investigation with respect to the same or other possible violations of the PCA or other competition laws.
14. The foregoing findings are based solely on the facts and circumstances of this investigation and relevant only to the particular issues examined herein.