

**IN THE MATTER OF THE PROPOSED
SALE OF TOTALENERGIES
MARKETING SERVICES'
SHAREHOLDINGS IN TOTAL
(PHILIPPINES) CORPORATION,
FILOIL LOGISTICS CORPORATION,
AND LA DEFENSE FILIPINAS
HOLDINGS CORPORATION TO
FILOIL PHILIPPINES CORPORATION
X-----X**

MAO Case No. M-2024-016

COMMISSION DECISION NO. 16-M-2024

This refers to the proposed acquisition by Filoil Philippines Corporation (Filoil Philippines) of the 100% Shareholdings of TotalEnergies Marketing Services (Total Energy) in Total (Philippines) Corporation (Total Philippines), Filoil Logistics Corporation (Filoil Logistics), and La Defense Filipinas Holdings Corporation (La Defense Filipinas) (hereinafter shall be collectively referred to as the Parties). The Parties submit this acquisition (the Transaction) to the Philippine Competition Commission (the Commission) for review.¹

Upon careful review of the existing market conditions, various submissions and representations of the Parties to the Commission, application of the Philippine Competition Act (PCA), its Implementing Rules and Regulations, related issuances and regulatory framework, and based on the findings and recommendation of the Mergers and Acquisitions Office (MAO), the Commission finds that the proposed Transaction will not likely result in substantial prevention, restriction, or lessening of competition in the relevant markets for the reasons discussed below.

The Parties and the Transaction

Filoil Philippines is a domestic entity engaged in downstream petroleum product activities.² Filoil Philippines and Basic Energy Corporation jointly own 100% of Filoil Energy, an investment holding company that owns the brand "Filoil."

¹ The Philippine Competition Commission conducts reviews of mergers and acquisitions, including joint ventures, pursuant to Sections 16 and 17 of Republic Act No. 10667, otherwise known as the Philippine Competition Act (PCA), and Section 1, Rule 4 of the Implementing Rules and Regulations of the PCA.

² Downstream oil industry refers to the business of importing, exporting, re-exporting, shipping, transporting, processing, refining, storing, distributing, marketing, and selling of crude oil, gasoline, liquefied petroleum gas, kerosene, and other petroleum products.



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Filoil Philippines' Ultimate Parent Entity (UPE), MAP 2000 Development Corporation (M2DC), is a domestic holding company established to engage in the real estate business, real estate development, rentals, property management and related services, and to invest in real properties and acquire shares of stocks of viable corporations.³

The UPE of Total Energy is TotalEnergies SE. Total Energies SE is a global multi-energy company that produces and markets energies in all sectors of the oil and gas industry.⁴ It conducts upstream activities through exploration, development and production of hydrocarbons, and downstream activities through refining, trading, and marketing of petrochemicals, specialty chemicals, crude oil, and petroleum products.⁵

The three acquired entities, Total Philippines, La Defense Filipinas, and Filoil Logistics, are incorporated pursuant to the Joint Venture Agreement⁶ between Filoil Energy and Total Energy (JVA). Pursuant to the JVA, Filoil Philippines, the acquiring entity, shall exercise indirect control over these entities:⁷

- a. Total Philippines is primarily engaged in the importation and trading of fuels, oils, and lubricants. It is also engaged in the business of importation and marketing of fertilizers, pesticides, and other agricultural products. Total Energy owns [REDACTED] of Total Philippines, while Filoil Energy owns the remaining [REDACTED].⁸
- b. La Defense Filipinas is primarily engaged in investing, owning, and/or disposing real property of every kind. Filoil Energy owns [REDACTED] of La Defense Filipinas, while Total Energy owns [REDACTED].⁹
- c. Filoil Logistics is primarily engaged in the supply of petroleum products and operations of fuel depot, terminal, and storage. Filoil Energy owns [REDACTED] of Filoil Logistics, while Total Energy owns [REDACTED].¹⁰

As JV Companies, the UPEs of the acquired entities are also the UPEs of Filoil Energy and Total Energy – M2DC and TotalEnergies SE, respectively.

Pursuant to a Share Purchase Agreement,¹¹ Filoil Philippines will acquire the entire shareholdings of Total Energy in Total Philippines, Filoil Logistics, and La Defense Filipinas. In effect, these companies will be fully integrated under Filoil Philippines.

³ Filoil Philippines Notification Form.

⁴ Total Philippines Notification Form.

⁵ *Id.*

⁶ Dated 1 July 2016.

⁷ Notifying Parties' Submissions to the MAO.

⁸ *Id.*, at 3.

⁹ *Id.*, at 4.

¹⁰ *Id.*, at 3.

¹¹ Dated 12 January 2024.

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Discussion

After a careful assessment, the Commission finds that the Transaction will not likely result in substantial prevention, restriction, or lessening of competition in the nationwide sale of petroleum products. Post-Transaction, there will be no substantial changes in the market structure of the downstream oil industry in the Philippines.

Pre-Transaction, [REDACTED]

[REDACTED] Even their combined market share of ¹³ in the nationwide sale of petroleum products remains insufficient to substantially affect the current market dynamics. Table 1 below shows the market shares of competitors for liquid petroleum products:

**Table 1. Market Shares of Competitors for Liquid Petroleum Products
(as of April 2024).¹⁴**

Rank	Competitor	Market Share
1	Petron Corporation	[REDACTED]
2	Shell Pilipinas Corporation	
3	Unioil Petroleum Philippines Inc.	
4	Seaoil Philippines	
5	Insular Oil Corporation	
6	Chevron Corporation	
7	Jetti Petroleum Inc.	
8	Filoil Logistics	
9	Total Philippines	
-	Others	

There are also sufficient competitive constraints in the nationwide market for petroleum products. Based on the Oil Industry Management Bureau's¹⁵ (OIMB) Year-End Comprehensive Report for Financial Year (FY) 2023, the Philippines has a total

¹² Department of Energy, List of Registered Players within the Oil Industry Management Bureau-Oil Industry Competition and Monitoring Division (OIMB-OICMD) as of 31 March 2024, *available at*: <https://www.foi.gov.ph/documentview/view/list-of-registered-players-within-oicmd/> (last accessed on 06 December 2024).

¹³ Oil Industry Management Bureau, Department of Energy, Year-End Comprehensive Report FY 2023, *available at*: https://doe.gov.ph/sites/default/files/pdf/downstream_oil/year-end-comprehensive-report-FY2023.pdf (last accessed on 06 December 2024).

¹⁴ *Id.*, at 4.

¹⁵ The Department of Energy (DOE), through the Oil Industry Management Bureau (OIMB), is mandated by Republic Act No. 8479 (otherwise known as the Downstream Oil Industry Deregulation Act of 1998) to monitor the refining, manufacturing, and marketing processes of petroleum products (Section 14).

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of 8,922 downstream oil industry participants with a combined value of PHP 300.62 billion.¹⁶

Additionally, the historical market shares (from 2017 to 2022) of petroleum products¹⁷ show the presence of minor players and new entrants in the industry, indicating low barriers to entry. This is attributable to the DOE's policies that encourage the entry of new participants into the industry—particularly the promotion of an International Information Campaign,¹⁸ the provision of the Philippine Downstream Oil Industry Investment Guide,¹⁹ and the granting of incentives to persons with new investments in the refining, storage, marketing, and distribution of petroleum products.²⁰ In light of the foregoing, the Commission finds that no competition concerns are likely to arise from the proposed Transaction.

ACCORDINGLY, the Commission resolves to **CLEAR** the proposed acquisition by Filoil Philippines Corporation of the entire shareholdings of TotalEnergies Marketing Services in Total (Philippines) Corporation, Filoil Logistics Corporation, and La Defense Filipinas Holdings Corporation.

This Decision is rendered solely based on the facts disclosed, the circumstances of the Transaction known to the Commission during the review period, and documents submitted by Total Philippines and Filoil Philippines.

SO ORDERED.

10 December 2024.

[Signature page follows]

¹⁶ *Supra* Note 13.

¹⁷ Oil Industry Management Bureau, Department of Energy, Year-End Comprehensive Report FY 2023, available at: https://doe.gov.ph/sites/default/files/pdf/downstream_oil/year-end-comprehensive-report-FY2023.pdf (last accessed on 06 December 2024).

¹⁸ Sec. 8, R.A. 8479.

¹⁹ *Id.*

²⁰ Sec. 9, R.A. 8479.

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[REDACTED]
MARAH VICTORIA S. QUEROL

Commissioner

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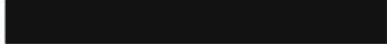
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