

Comisión Federal de Competencia Económica

COFECE-016-2017

World Bank Group and the International Competition Network award COFECE's work on "Transition to competitive retail gasoline and diesel markets"

- For the second consecutive time, COFECE won the Competition Advocacy Contest, which is organized annually by the World Bank Group and the International Competition Network.
- COFECE participated with the report "Transition to competitive retail gasoline and diesel markets", which identified potential barriers to competition as well as 25 specific policy recommendations.
- Winners were selected from 128 entries submitted by competition authorities from around the world.

Mexico City, March 27, 2017.- The Federal Economic Competition Commission (COFECE) won for the second time in a row, the Competition Advocacy Contest 2016-2017, for its report "Transition to competitive retail gasoline and diesel markets" published last June, which aimed to accelerate and the establish favorable conditions prior to the liberalization of retail fuel prices.

The goal of the contest, organized by the World Bank Group (WBG) and the International Competition Network (ICN), is to raise awareness, by showcasing success stories, of the key role played by competition agencies in promoting a competition culture and environment in the markets, thus contributing to economic growth and development.

For this award, COFECE participated in the category: "Implementing advocacy strategies at multiple levels: regional, national, subnational/economy-wide and sector-specific." The awarded work presented 25 specific public policy recommendations addressed to public authorities from all levels of government on the following topics: (i) prices and tariffs; (ii) infrastructure and logistics; iii) the quality of fuels and (iv); and the retail price of gasoline and diesel.

The contest organizers stated that COFECE's recommendations, such as the elimination of minimum distances between gas stations imposed by some state and municipal regulations at the subnational level, are being implemented. It should be noted that other proposals have been considered by federal authorities, including the Energy Regulatory Commission, the Ministries of Finance, Energy, Communications and Transportation, as well as the National Agency for Industrial Security and Environmental Protection from the

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Hydrocarbons Sector. Likewise, the Congress modified the price system at the end 2016, among other things, acknowledging the logistical differences across the country.

According to the organizers, the report is helping to smooth the transition from a full monopolized state controlled gasoline industry to an open and competitive market.

The Commission reasserts the importance of implementing the recommendations contained in the document to promote competition in all activities along the production chain of these markets. Only then, markets will work efficiently for the benefit of consumers and companies.

Read: <u>Transition to competitive retail gasoline and diesel markets.</u> See: <u>The role played by COFECE during the transition to competitive gasoline and diesel markets (in</u> <u>Spanish).</u> More information regarding <u>the 2016-2017 Competition Advocacy Contest.</u>

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MORE COMPETITION FOR A STRONGER MEXICO

The Federal Economic Competition Commission is entrusted with safeguarding competition and free market access. Through this, it contributes to consumer welfare and the efficient functioning of the markets. Through its work it seeks better conditions for consumers, greater output and better services and a "level playing field" for companies