

COFECE notifies its Statement of Probable Responsibility for possible relative monopolistic practices in the markets for nitrogen and argon gases

- *COFECE's Investigative Authority found elements suggesting that economic agents have used their market power to distort competition.*
- *Both cases will continue as a trial-like procedure in which the economic agents may submit evidence in support of its defense to COFECE's allegations.*

Mexico City, March 28, 2017.- The Federal Economic Competition Commission (COFECE) notified several economic agents of a Statement of Probable Responsibility for their alleged participation in relative monopolistic practices in the markets for the production, distribution and commercialization of air gases, specifically nitrogen and argon, sold at national level.

Both investigations started as one on March 5, 2014 under the file (DE-006-2014). However, given the characteristics of the case, COFECE's Investigative Authority decided, on November 6, 2015, to separate the investigation into two subfiles,¹ one for the market of nitrogen and the other for argon gas. The Statements of Probable Responsibility have already been issued, stating that contracts, agreements or procedures carried out by companies with substantial market power in a relevant market, took place with the purpose or effect of unduly displace other economic agents, impede their access or establish exclusive advantages in favor of one or several economic agents.

The notification of these Statements of Probable Responsibility establishes the initiation of the trial-like procedure stage in both cases, which will be conducted by the Commission's Technical Secretariat. During the trial-like procedure, the corresponding economic agents have the right to argue in their favor and submit evidence in support of its defense to the allegations presented against them. Once all defense arguments are heard, evidence is

¹ In accordance with the applicable legal framework, the Commission may separate a dossier from another, as it is more appropriate for the prompt and expeditious handling of the cases.

analyzed and allegations are brought forth, COFECE's Board of Commissioners shall issue a resolution in accordance with the law.

If economic agents are found responsible for committing the alleged practices, they may be sanctioned with fines of up to 8% of their annual revenue.

According with the Federal Economic Competition Law (FECL) relative monopolistic practices include the imposition of resale prices or exclusive distribution between non-competitors, tied contracts, exclusive arrangements, boycotts, cross subsidies, loyalty discounts, price discrimination, rising rival's costs, discriminatory treatment, refusal to deal or access to essential facilities and the narrowing of margins.

[Read: What is a relative monopolistic practice?](#)

– 000 –

MORE COMPETITION FOR A STRONGER MEXICO

The Mexican Federal Economic Competition Commission guarantees competition and free market access. Thus, it contributes to the welfare of people and efficient functioning of markets. Through its work, it seeks better conditions for consumers, greater and better output and services, as well as a "level playing field" for companies.