

COFECE sanctioned Panasonic and Ficosa for failing to notify concentration

- *The Board of Commissioners fined Panasonic Corporation, Panasonic Europe, Ficosa Inversión, Pertacol Holding and Pindro Holding 56.2 million pesos for failing to notify their concentration when they were legally obligated to do so.*
- *The sanctioned is imposed in response to this omission which violated the terms of the FECL.*
- *Review of concentrations by competition authorities, in Mexico as well as worldwide, is one of the main tools of competition policy to prevent unlawful concentrations in the markets.*

Mexico City, May 15, 2017.- The Federal Economic Competition Commission (COFECE or Commission) imposed fines on Panasonic Corporation, Panasonic Europe, Ficosa Inversión and Pindro Holding of 14 million 20 thousand pesos each, and on Pertacol of 183 thousand pesos, as it was established that the companies failed to notify the competition authority of their concentration when they were legally obligated to do so.

A concentration is understood as a merger, acquisition of control, or any other act by means of which companies, associations, stocks, partnership interest, trusts or assets in general are consolidated, among competitors, suppliers, customers or any other economic agent. In accordance with article 86 section II of the Federal Economic Competition Law (FECL), concentrations must be notified to the Commission when: i) the transaction implies the accumulation of 35% or more of the assets of an economic agents; and ii) the economic agent's annual sales or assets in Mexico amount to more than 18 million times the general current minimum wage in Mexico City.¹

According to the Board's analysis, in June 2015, Panasonic Europe acquired shares of Ficosa International and its subsidiaries, including Ficosa Mexico. This transaction resulted in Panasonic, through Panasonic Europe, indirectly acquiring more that 35% of the assets of

¹ The general current minimum wage in Mexico City is equivalent to a "Unit of Measure and Update" (UMA for its acronym in Spanish). In 2017, the value of an UMA is MXN 75.49 pesos.

Ficosa Mexico. Furthermore, in 2014, the year prior to the acquisition, Ficosa's sales in Mexico exceeded 1,260 million 800 thousand pesos, thus complying with the criteria established by the FECL.² COFECE's Board of Commissioners decided that the companies breached the prior notification obligation, which is a mechanism to prevent undue concentrations in the markets,

The failure to notify a concentration, when it is mandatory to do so, is a serious misconduct, as it impedes the Commission from exercising its preventive functions, which are of great importance to its ability to effectively ensure competition in the markets.

About the economic agents

In Mexico, Panasonic manufactures and sells vehicle navigation systems and entertainment displays for the automotive sector. Ficosa produces and sells shifting systems, brake systems, fluid systems, seat systems, door systems, drive cables, antennas, parking assistance cameras and rear-view systems.

View (in Spanish): [Thresholds to notify a concentration and Requirements to submit a concentration](#)

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

² In 2014, 18 million times the general minimum wage for Mexico City was equivalent to 1 thousand 261 million 800 thousand pesos.