

COFECE Presents “Economic Competition, a Platform for Growth 2018 – 2024”

- *The Commission published a document in which it posits specific actions that favor equality and the participation of new entrants in markets, through economic competition, aimed at political parties and future candidates.*
- *Authorities and policy makers should jointly strengthen competition to eradicate barriers, specifically those that fall out of COFECE’s purview.*

Mexico City, December 7, 2017.- In anticipation of the 2018 federal elections, the Federal Economic Competition Commission’s (COFECE) Board of Commissioners made the document entitled “Economic Competition, a Platform for Growth 2018 – 2024” available to political parties and the future Mexican presidential candidates, as well as senators and federal congress members. The document is meant to be a tool to aid in the design of public policy proposals that favor competition in markets, growth, investment opportunities and entrepreneurship.

The document presents strengths and challenges in competition matters that Mexico faces, as well as the positive effects of national economic growth, integrity in public tenders, the fostering of entrepreneurship, trade openness and upholding the rule of law. The recommendations aim to encourage cross-cutting proposals to eliminate privilege for the few in certain productive activities in the country, in addition to detailing the specific challenges in the financial, energy, transportation, trade, public tender and health sectors, which are critical to national economic development.

Competition is a useful instrument that enables companies, especially small and mediumsized enterprises, to have access to production inputs, capital, technology and essential infrastructure for business venturing, growth, job creation and the satisfaction of consumer needs. Competition also generates important social benefits, as it increases family’s purchasing power by making more goods and services available at the best possible prices.

The benefits of competition are clear: low prices, better quality in goods and services, greater alternatives for consumer purchases and in general, market efficiency. Lack of competition also brings costs, such as: high prices, low quality, lack of innovation, privilege for the few and small as well as inefficient markets.

For decades, the protection of privileges through deficient regulations and policy, as well as government action that has distorted economic activity, have generated concentrated

markets with low competitive pressure, locking consumers into companies that lack the incentive to offer quality products at the best possible prices. The correction of these markets requires the support and sustained effort of policy makers and authorities at the three levels of government because there are barriers to competition that fall outside of COFECE's purview.

An important window of opportunity to articulate economic policy based on competition arises in the context of next year's election of the federal executive, the Mexican Congress as well as nine state elections.

A better Mexico is everyone's business.

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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 markets. Through its work, COFECE seeks better conditions for consumers, greater output, better services and a "level playing field" for businesses.