

COFECE-07-2017

COFECE reported to Congress full compliance of committed actions for 2016

- *COFECE reported that the goals set out in COFECE's 2016 Annual Work Program were successfully achieved. These include the conclusion of 6 investigations for absolute monopolistic practices and 2 for relative monopolistic practices.*
- *During the year, the Commission conducted 296 substantive cases.*
- *149 of the cases analyzed are concentrations, of which 2 were conditioned, 4 did not concluded the procedure and the rest were authorized, with a value of 1 trillion 113 billion pesos.¹*
- *The report describes the role of the Commission in the process of opening up the gasoline and diesel markets.*

Mexico City, February 3, 2017.- The Mexican Federal Economic Competition Commission (COFECE) presented its fourth quarterly report to Congress, which emphasized full compliance of the 28 actions foreseen in its 2016 Annual Work Program (PAT for its acronym in Spanish).

During 2016, COFECE conducted 296 substantive procedures: monopolistic practices, illicit concentrations, barriers to competition and essential inputs, conditions of effective competition, as well as concentration analysis.

Successful achievement of 2016 COFECE's PAT included the termination of 6 investigations for absolute monopolistic practices, in the markets of pension funds administration services, cranes market in Guerrero and taxi services with origin or destination to the International Airport of Mexico City (AICM), among others. In addition, 2 investigations were completed for relative monopolistic practices, one in the market of marine diesel, and 2 procedures were concluded for barriers to entry and essential inputs, one regarding the allocation of slots at the AICM and the other on the transport market in Sinaloa.

Regarding trial-like procedures, the Board of Commissioners imposed sanctions on economic agents in the markets of maritime transport in the State of Quintana Roo, sugar and auto parts for collusion. COFECE also sanctioned the AICM for abuse of substantial market power.

¹ Taken from the Fourth Quarterly Report of 2016.

Among its advocacy efforts, COFECE published the "Miscellany of regulatory obstacles to competition", a document describing restrictions in local markets. The Commission had also issued several opinions on regulatory frameworks, for example to promote the opening of taxi services at airports, and to further competition in service stations at the local level. This work also included the issuing of a document setting out the necessary conditions to successfully move towards competitive retail gasoline and diesel markets.

COFECE estimated its contribution to economic growth and the well-being of society by analyzing the impact of its resolutions in the markets of poultry, sugar and supermarkets, which generated 568 million pesos in benefits for consumers.

During 2016, COFECE analyzed 149 concentrations, of which 2 were conditioned Aeroméxico-Delta and Sanofi-Boehringer-, in 4 cases the economic agents did not completed the procedure, and the rest were authorized. The total value amounted 1 trillion 113 billion pesos.

The report includes a section dedicated to the explanation of COFECE's role in the process of opening up the gasoline and diesel markets. It highlights the work done during 2016, to ensure that this liberalization achieves the best possible competition conditions. It also explains possible future interventions in these markets, such as the initiation of investigations, ex officio or by complaint, when there is evidence of collusion between competitors; or where appropriate, the authorization, denial or conditioning of concentrations in this industry, with the aim of protecting competition.

COFECE's fourth quarterly report is submitted to the Federal Executive Branch and to Congress, and is made available to the general public, in compliance with article 28 of the Mexican Constitution and articles 12 and 49 of the Federal Economic Competition Law.

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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 the efficient functioning of the markets. Through its work, it seeks better conditions for consumers, greater and better output and services, as well as a "level playing field" for businesses.