

COFECE investigates the market for corn *tortillas* in the state of Chiapas for possible absolute monopolistic practices

- *The Investigative Authority is investigating the possible establishment of agreements among competitors with the purpose of price manipulation, restricting or limiting supply or segmenting the market.*
- *The markets probed are in the state of Chiapas where more than 77% of the population lives in poverty.*
- *The investigations initiated on September 29, 2017 in Palenque and on January 31, 2018 in Angel Albino Corzo, should not be understood as a prejudgment but as the Authority's action to verify compliance of the Federal Economic Competition Law.*

Mexico City, April 5, 2018.- Today, the Federal Economic Competition Commission's (COFECE or Commission) Investigative Authority published in the Federal Official Gazette (DOF) and on its website, the extract of the notice of the initiation of the investigation resulting from a report for the probable commission of absolute monopolistic practices in the markets for the production, distribution and retail of corn *tortillas* in the municipalities of Palenque and Angel Albino Corzo in the state of Chiapas.

Tortillas are a Mexican food staple. Maintaining competition conditions in this market is of great relevance given that 77% of Chiapas' population lives in poverty, that is, 4 million, 114 thousand people.¹

Absolute monopolistic practices are the contracts, agreements or arrangements among competing economic agents with the purpose or effect to manipulate prices, restrict or limit supply or demand, divide or segment markets, bid rigging as well as the exchange of information with the purpose or effect of carrying out any of the aforementioned conducts.

Investigations under files DE-031-2017 and DE-043-2017 for Palenque and Angel Albino Corzo respectively, should not be understood as a prejudgment of the responsibility of any economic agent considering that that violations to the Federal Economic Competition Law

¹ 2016 Poverty Measurement by the National Council for the Evaluation of Social Development Policy.



have not been determined, nor has any individual(s) or undertaking(s) been considered as an offender.

The timeframe for these investigations is 120 business days, from the day the investigations initiated, this period may be extended for up to four additional periods.

Should the investigations end without evidence that confirms the execution of anticompetitive conducts, COFECE's Board of Commissioners may resolve to close the investigations. In the case that evidentiary elements that point to the infringement of the Law are found, those responsible will be called to a trial – like procedure, at which they may present their defense.

According to the Federal Economic Competition Law (FECL), in the event an absolute monopolistic practice is confirmed, the economic agents may be fined with up to 10% of their income. The individuals that contributed, fostered or induced the practices may also be sanctioned. The individuals that participated in the order, execution or conclusion of these types of agreements among competitors may be sentenced to prison for up to 10 years as per the Federal Criminal Code.

[Extract of the agreement to initiate an investigation for absolute monopolistic practices in the market for the distribution and commercialization of corn tortillas in Palenque, Chiapas \(in Spanish\).](#)

[Extract of the agreement to initiate an investigation for absolute monopolistic practices in the market for the distribution and commercialization of corn tortillas in the municipality of Angel Albino Corzo \(in Spanish\).](#)

[What is an absolute monopolistic practice \(see in Spanish\)](#)

[Leniency program \(see in Spanish\)](#)

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



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