

COFECE investigates the market for the commercialization, storage and transportation of petroleum products

- *The Investigative Authority has indications that relative monopolistic practices were carried out in this market.*
- *This investigation must not be understood as a prejudgment but as an action by the authority to verify compliance with the Federal Economic Competition Law (FECL).*

Mexico City, September 11, 2018.- The Federal Economic Competition Commission's (COFECE or Commission) Investigative Authority published today in the Federal Official Gazette and on its Internet portal the notification of initiation of an ex-officio investigation for possible relative monopolistic practices in the market for commercialization, storage and transportation of petroleum products and related services, in Mexico.

The Investigative Authority indicated, "in light of the transition in energy markets, COFECE is responsible for safeguarding the market from anticompetitive practices for supply to be carried out under the best possible conditions, which may be achieved in competitive environments that offer consumers diverse supply options." Petroleum products are fundamental to the country's economy, their availability and price have a cross-cutting impact on all productive sectors.

Relative monopolistic practices consist of any act, contract, agreement or procedure carried out by companies that exert substantial market power with the intent of unduly displacing other market agents, substantially impeding their access or establishing exclusive advantages in favor of one or several economic agents. Examples of relative monopolistic practices are tied sales; price discrimination; increase of competitor's costs; refusal to deal; among others.

This investigation procedure, file IO-001-2018, should not be deemed as a prejudgment of the responsibility of any economic agent considering that no infringements to the Federal Economic Competition Law (FECL) have been confirmed, nor have any individual(s) been identified as offenders.



The 120 working days investigation period started on May 7, 2018, which may be extended up to four additional periods.

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

If a relative monopolistic practice is proven, economic agents could be sanctioned in the following terms: a fine up to the equivalent of eight percent of their annual income and the order to suppress the conduct. In the case of the direct or indirect participation of an individual in these practices, in representation or at the behest of the companies, they may be sanctioned with the equivalent of 200 thousand times the current daily minimum wage, today UMAs "Units of Measure and Update" (one UMA is equivalent to 80.60 Mexican pesos), and may be disqualified for up to 5 years from holding leadership positions, and individuals that contributed to, fostered or induced these practices will also be economically sanctioned with up to 180 thousand UMAs.

[See the extract of the initiation decision in Spanish](#)

[See in Spanish, what is a monopolistic practice?](#)

– 000 –

MORE COMPETITION FOR A STRONGER MEXICO

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.

