

## COFECE fines Villacero steel company for failing to comply with conditions imposed for concentration

- *The steel company failed to comply with two conditions imposed by the former Federal Competition Commission for the authorization of a concentration through which it indirectly acquired a share in the company GCollado.*
- *In accordance with the Federal Economic Competition Law, failure to comply with the conditions agreed upon for the authorization of a concentration results in an economic sanction, in this case, close to 68 million pesos.*

**Mexico City, October 4, 2018.-** The Federal Economic Competition Commission's (COFECE or Commission) Board of Commissioners fined *Consorcio Villacero (Villacero)* 67 million 941 thousand pesos for failing to comply with two of the conditions agreed upon in 2010 with the competition authority for the authorization for the acquisition of share capital in *Savoy International Investment (Savoy)*, a firm that holds part of *GCollado's* social capital.

Both companies, *Villacero* and *GCollado*, participate in the same markets: manufacturing of steel plates, steel pipe, and steel mesh, as well as commercialization of steel products. This could allow for the flow of information among the companies which could result in anticompetitive conducts.

Therefore, one of the conditions required was for *Villacero*, through *Savoy*, not to appoint company or any other subsidiaries or branches' personnel to the Administrative Board at *GCollado*. Notwithstanding, COFECE determined that this condition was not complied with as one of the board members simultaneously participated in *GCollado's* Administrative Board and in six of *Villacero's* subsidiaries.

The Board of Commissioners, therefore, determined *Villacero* did not comply with a part of the conditions and consequently imposed a fine. The Board reiterated the company comply with the acquired obligations.

The law grants *Villacero* the right to go before the Federal Judiciary to review the legality of COFECE's actions.

*See in Spanish: [What is a concentration?](#) and [Elements to be considered by COFECE when reviewing a concentration.](#)*



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*The Federal Economic Competition Commission is entrusted with safeguarding competition and free market access. This contributes to people's well-being and the efficient functioning of markets. With its work, COFECE seeks better conditions for consumers, more services of higher quality and a "level playing field" for companies.*



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