

## COFECE probes national market for corn flour for possible anticompetitive practices

- *The investigation should not be construed as a prejudgment, but as the authority's verification of compliance with the Federal Law on Economic Competition.*
- *The corn flour industry has sales for more than 24 billion pesos each year.<sup>1</sup>*
- *It is used for producing diverse products, such as tortillas, fried foods, cereals and certain types of breads, among others.*

**Mexico City, April 9, 2010.-** 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 decision to initiate an investigation ex-officio for the possible commission of absolute monopolistic practices in the national market for the production, distribution and commercialization of corn flour.

Absolute monopolistic practices (horizontal restraints or collusive agreements) are contracts, agreements, arrangements of the combination thereof, among competing economic agents with the purpose or effect of fixing prices, restricting or limiting supply or demand, market segmentation or division, bid rigging, as well as the exchange of commercially sensitive information to carry out any of these conducts.

The investigation filed under IO-004-2018 should not be construed as a prejudgment of any economic agent considering that violations to the Federal Law on Economic Competition have not been determined, nor have any individuals or undertakings been considered as offenders.

The timeframe for this investigation is 120 business days, from October 9, 2018, which is the day the investigation initiated. The term 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 that point to the infringement of the Law are found,

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<sup>1</sup> INEGI, *Encuesta Mensual de la Industria Manufacturera*, viewed on April 4, 2019.

those responsible will be called to a trial-like procedure, at which they may present their defense.

In accordance with the Federal Law on Economic Competition (FLEC), should an absolute monopolistic practice be confirmed, the economic agent(s) responsible may be fined with up to ten percent of their income. The individuals that contributed, fostered or induced the practices would probably be fined. The individuals that participated in the order, execution or conclusion of this type of agreements among competitors, may be sentenced to prison, as per the Federal Penal Code, for up to 10 years.

*Initiation decision extract in Spanish: IO-004-2018*

*What is an absolute monopolistic practice (in Spanish)*

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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.*

