

COFECE-007-2020

COFECE probes the marine diesel market for possible absolute monopolistic practices

Mexico City, February 20, 2020.- The Investigative Authority of the Mexican Federal Economic Competition Commission (COFECE or Commission) published in the Federal Official Gazette and on its website, the notification for the initiation of an investigation for the possible commission of absolute monopolistic practices in the market for the public retail of marine diesel at service stations in the national territory.

Marine diesel is the fuel used by vessels and is retailed at service stations located in coastal zones or near to river mouths.

Absolute monopolistic practices are contracts, agreements, arrangements or combinations among competing economic agents, with the purpose or effect of fixing prices, restricting or limiting supply or demand, market allocation or segmentation, bid rigging, as well as the exchange of information to carry out any of these conducts.

This investigation, under case file DE-029-2019, should not be understood as a prejudgment on the responsibility of any economic agent, considering that violations to the Federal Economic Competition Law have not been determined, nor have any individuals or undertakings been considered as offenders.

The term for this probe is up to 120 business days, starting August 20, 2019 – date of the initiation of the investigation – and can be extended up to four times.

Should the investigation end without evidence that confirms the execution of anticompetitive conducts, COFECE's Board of Commissioners may close the investigation. However, if 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.

In accordance to the Federal Economic Competition Law, if an absolute monopolistic practice is confirmed, economic agents may be sanctioned with fines up to 10% of their

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income. Those who contributed, incited or induced the commission of these practices could be sanctioned as well. Pursuant the Federal Criminal Code, natural persons 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.

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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.

