

COFECE probes possible absolute monopolistic practices in the sale of tortillas in Huixtla, Chiapas

Mexico City, March 10th, 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 possible absolute monopolistic practices in the market for the production, distribution and commercialization of corn tortillas in the municipality of Huixtla in the state of Chiapas.

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-032-2019, 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 September 6th, 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 practices, the Board of Commissioners may resolve to close it. 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 income. Those who contributed, incited or induced the commission of these practices could be sanctioned as well. Pursuant to the Federal Criminal Code, natural persons that



participated in the order, execution or conclusion of these type of agreements among competitors may be sentenced to prison for up to 10 years.

– 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 choice and higher quality of services and products, at lower prices and a “level playing field” for companies.

