

COFECE publishes its *COFECE Digital Strategy*, explaining the actions it will undertake to successfully address analyses and investigations in digital markets

Mexico City, March 30, 2020.- The Mexican Federal Economic Competition Commission (COFECE or Commission) presents to the general public the document *COFECE Digital Strategy*, which explains the actions that it will carry out to successfully address analyses and investigations of digital markets.

The Commission notes that, as a consequence of the degree of concentration that persists in some traditional markets in Mexico – such as energy, telecommunications, finances and health –, the entry of technological companies into Mexican markets might be a source of competitive pressure, to the benefit of consumers. Likewise, derived from international experiences, COFECE is aware of some of the risks to competition that technology enterprises might bring into the market. Therefore, it cannot rule out that some of these situations are already present or might occur in the Mexican context in the near future, representing a challenge for the competition authority.

Hence, the relevance of the *COFECE Digital Strategy*, that lists five concrete actions to address the digitization phenomenon from the perspective of competition. These are:

- **Document on the implications of digital markets in Mexico**, with public policy proposals that may contribute to bringing the benefits of these markets to more Mexican consumers. To this end, COFECE has convened a multidisciplinary group of experts on digital issues. This document will review: i) the functioning of digital markets, their advantages and risks; ii) international experiences; iii) specific effects on the Mexican economy; iv) challenges regarding competition, consumer protection and protection of personal data; and v) the current institutional framework in Mexico and the eventual appropriateness of modifications for successfully facing future challenges.
- **Contact and fora with international experts**, to strengthen the knowledge of the Commission's staff on the operation of digital platforms by learning from foreign cases, experiences and policies related with digital markets.



- **Strengthen COFECE's technological infrastructure and the capacities of its staff**, through a management plan for processing large volumes of data (*big data*), as well as to comprehend the scope of artificial intelligence.
- **Digital Markets Unit within COFECE**, to advance the understanding of the digitization of the Mexican economy, as well as to exercise the powers bestowed upon the Commission in the Federal Economic Competition Law with greater efficacy.
- **Strengthen international cooperation** to share lessons and experiences, and to identify possible joint actions to contribute to the efficient functioning of digital markets around the world.

Recently, the Commission has gained relevant experience in digital markets through advocacy, investigation and the assessment of mergers. On the subject of opinions, COFECE has issued recommendations for the operation of Transport Network Companies and to facilitate successful competition by Financial Technology Institutions (*Fintech*) against traditional banks.

Additionally, the Commission has also analyzed transactions involving firms that operate in digital markets: *Banamex, Inbursa–Pagos Móviles* (in the market for payments made through mobile devices); *Privalia–Grupo Axo* (sale of clothing, footwear and household products); *PayClip–General Atlantic, Banorte* (services that allow for the acceptance of credit card payments); *Konfio Limited, Red Amigo–LA Holdings* (market of loans to natural persons and legal entities); *Kavak Holdings–LA Holdings, General Atlantic KV, Greenoaks* (purchase and sale of second-hand cars); as well as *Walmart–Cornershop* (exhibition, purchase and immediate delivery of products sold by supermarkets and membership price clubs through websites and apps to final consumers).

Drawing from these experiences and acknowledging the challenges posed by digital markets, COFECE will make every effort to ensure the efficient performance of the digital markets in Mexico through competition and free market access.

Read [COFECE Digital Strategy](#)



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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.



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