

COFECE conditions concentration between *Profluent Plastic Technologies* and *Plastic Technology de México*

- *In the originally planned transaction, the parties established a non-competition clause which included terms that could potentially affect the process of competition and free market access. These clauses must be suppressed for the concentration to be authorized.*

Mexico City, June 29th, 2020.- The Board of Commissioners of the Mexican Federal Economic Competition Commission (COFECE or Commission) resolved to condition the concentration between *Profluent Plastic Technologies* and *Plastics Technology of Mexico (PTM)* since the original transaction included a non-competition clause with terms that could hinder the process of competition and free market access in markets not related to the notified concentration.

Profluent Plastic Technologies is a part of the *Australis Partners Fund* private investment fund with investments in the health sector in Mexico. As for *PTM*, it is a Mexican society that participates in the manufacturing and commercialization of PVC and high-density polyethylene pipes and connections. Since the companies participate in different markets, their activities in the Mexican territory do not overlap.

Nonetheless, for this transaction (file CNT-002-2020) the companies established a non-competition clause with terms that, in the opinion of this Commission, are excessive, with implications for markets unrelated with the notified operation and, thus, unjustified. This could potentially cause risks to the process of competition and free market access.

After being cautioned of these risks, the economic agents proposed COFECE to modify the overreaching terms of the non-competition clause, in such a way that they could be adjusted to the parameters considered appropriate by the Commission. Consequently, the Board of Commissioners resolved to condition the authorization of the concentration to compliance with these conditions thus, economic agents must totally accept these conditions to concrete the transaction.

Once the parties have been notified, the Law grants them the right to go before the Federal Judiciary to review the legality of the Commission's actions.

Learn more about competition: [Concentration notification thresholds \(in Spanish\)](#); and [los Guide no notify a concentration \(in Spanish\)](#).

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The Federal Economic Competition Commission safeguards competition and free market access. Through this, it contributes to the people's well-being and the efficient functioning of the markets. Through its work it seeks better conditions for consumers, that more services are offered with greater quality and that there is a "level playing field" for businesses.