COFECE investigates competition conditions in the services for maritime passenger transportation in routes with origin and/or destination in the northern zone of the state of Quintana Roo

- *On July 13, 2020, the Investigative Authority agreed that in the said market it is necessary to determine whether competition conditions exist or not so that, if applicable, the SCT can establish regulatory measures, such as the definition of service fees.*

- *The Investigative Authority may request relevant information to public authorities, require the economic agents that participate in the market and/or assist any person that may contribute with the investigation.*

Mexico City, July 21, 2020.- The Investigative Authority of the Mexican Federal Economic Competition Commission (COFECE or Commission) initiated a procedure for determining whether effective competition conditions exists, or not, in the services for maritime passenger transportation, in routes with origin or destination in the northern zone of the state of Quintana Roo and related services. This investigation, under file number DC-001-2020, is necessary so that, if absence of effective competition conditions is detected, the Ministry of Communications and Transportation (SCT for its acronym in Spanish), as the authority of the maritime transportation sector, triggers a regulatory process in said market, for example, regulating fees or defining the rules for access between competitors to the infrastructure, among others.

The maritime transport of passengers is of great relevance in the state of Quintana Roo, since it allows tourists to visit the main points of interest in the state, and the inhabitants and workers of the area to mobilize on a daily basis to carry out their economic activities. In the case of the islands of Cozumel and Isla Mujeres, this service is the main means of transportation to mainland Quintana Roo. According to information from the local Integral Port Administration (APIQROO for its acronym in Spanish)[1], in 2019, the transfers by maritime passenger transport to Cozumel and Isla Mujeres were close to 5 million tickets (one-way trip).

The procedure for resolving on the existence of effective competition conditions in a given market takes place when sector laws or regulations expressly foresee for COFECE to resolve or gives its opinion on the matter. If nonexistent, it is in the competence of the corresponding authority to implement some regulation to eliminate the effects that this lack of competition causes. In this case, article 140 of the Law of Navigation and Maritime Commerce establishes that the SCT may issue fee regulation if COFECE detects the absence of effective competition conditions.

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[1] http://servicios.apiqroo.com.mx/estadistica/

During this investigation, the Investigative Authority may request relevant information or documents to the sector regulators, require it from the economic agents that participate in the market and/or assist any person that may contribute with the investigation, as well as make use of other investigative powers.

The past July 13, the Investigative Authority agreed the initiation of this investigation, for which it has a period of at least 15 and up to 45 working days, which could be extended by a single occasion for the same period. After this period, if applicable, a preliminary investigative opinion will be issued, for subsequently receiving the statements of the persons with a legal standing. Finally, the Board of Commissioners could issue a resolution on the declaration on effective competition conditions.

Read the extract of the initiation agreement (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.