

## **COFECE notifies economic agents of a statement of probable responsibility for possible absolute monopolistic practices in the market for the distribution and commercialization of LP Gas**

- *The Investigative Authority concluded its inquiry and issued the statement in which it indicates the probable existence of a collusion.*
- *With this notification of a statement of probable responsibility, the trial-like procedure initiates, in which the economic agents can present their defense against the allegations brought against them.*

**Mexico City, March 16, 2021.-** The Federal Economic Competition Commission (COFECE or Commission) notified various companies and natural persons of a statement of probable responsibility for their probable responsibility in illegal agreements to manipulate prices or allocate the market for the distribution and commercialization of liquefied petroleum gas (LP Gas) in the country. This investigation is the widest carried out by COFECE's Investigative Authority, as it implied the analysis of conducts carried out by various participants in multiple federative entities.

LP Gas is the fuel for domestic use most used in the country, 76% of the Mexican families consume it, hence the increase of its prices has an important regressive effect on the poorest households. These allocate 3.5 times more of their spending to this energy than families with greater resources.

The Investigative Authority indicated in the statement of probable responsibility of this investigation (file DE-022-2017 and accumulated), that it came into knowledge of facts that probably constitute absolute monopolistic practices. Pursuant the Federal Economic Competition Law (LFCE, per its initials in Spanish), these conducts consist of contracts, agreements or arrangements amongst competing economic agents, whose purpose or effect is price manipulation, restriction or constraint of supply or demand, division or allocation of markets, arrange bids in tenders, as well as exchanging information with any of the previous purposes or effects.

Therefore, it was determined to notify the statement of probable responsibility to the probable responsible and initiate the stage of the trial-like procedure, in charge of the Technical Secretariat of this Commission, so that the notified parties argue in their favor and offer evidence for their defense. Once these statements have been made, the evidence



is submitted and the corresponding arguments are presented, the Board of Commissioners of COFECE will resolve in accordance with the law.

In accordance with the Federal Economic Competition Law, absolute monopolistic practices or collusions can be sanctioned with fines of up to 10% of their incomes. Additionally, natural persons who carry them out can face a criminal procedure that entails sanctions of 5 to 10 years of prison.

Read [What is an absolute monopolistic practice?](#) (in Spanish) and [What are and what is the purpose of notifications of probable responsibility?](#) (in Spanish)

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*The Federal Economic Competition Commission is responsible for ensuring competition and free market access. In this way, it contributes to consumer welfare and the efficient functioning of the markets. Through its work, COFECE seeks better conditions for consumers, greater output and better services and a “level playing field” for companies.*

