

Unclassified

English - Or. English

10 June 2021

Directorate for Financial and Enterprise Affairs  
**COMPETITION COMMITTEE**

## Annual Report on Competition Policy Developments in Mexico

-- 2020 --

This report is submitted by Mexico (COFECE & IFT) to the Competition Committee FOR INFORMATION.

JT03478015

## *Table of contents*

<b>Mexico .....</b>	<b>4</b>
<b>Federal Economic Competition Commission (COFECE).....</b>	<b>4</b>
<b>2. Changes to competition laws and policies, proposed or adopted .....</b>	<b>5</b>
2.1. Summary of new legal provisions of competition law and related legislation .....	5
2.2. Institutional response to digital markets .....	6
<b>3. Enforcement of competition laws and policies .....</b>	<b>7</b>
3.1. Actions against anticompetitive practices, including agreements between competitors and abuses of dominant position .....	7
3.2. Antitrust cases in the courts .....	11
3.3. Enforcement during the COVID-19 emergency .....	12
3.4. New significant cases .....	12
3.5. Warnings by the Investigative Authority .....	16
3.6. Ongoing investigations that were carried over from 2019 to 2020 .....	17
<b>4. Mergers and acquisitions .....</b>	<b>19</b>
4.1. Enforcement statistics: mergers .....	19
4.2. Significant cases: mergers .....	20
<b>5. Competition Advocacy .....</b>	<b>21</b>
5.1. The role of competition authorities in the formulation and implementation of other policies .....	21
5.2. New reports and studies on competition policy issues .....	23
<b>6. Resources of competition authorities .....</b>	<b>24</b>
6.1. Annual Budget .....	24
6.2. Human Resources .....	24
6.3. Period covered by the above information .....	25
<b>Federal Telecommunications Institute (IFT) .....</b>	<b>26</b>
<b>7. Changes to Competition Laws and Policies, Proposed or Adopted .....</b>	<b>27</b>
7.1. Summary of New Legal Provisions of Competition Law and Related Legislation .....	27
7.2. Other Relevant Measures, Including New Guidelines .....	27
7.3. Government Proposals for New Legislation .....	28
<b>8. Enforcement of Competition Laws and Policies .....</b>	<b>28</b>
8.1. Action against Anticompetitive Practices, Including Agreements and Abuses of Dominant Positions .....	28
8.2. Mergers and Acquisitions .....	30
8.3. Actions taken by the IFT facing the COVID-19 pandemic .....	31
<b>9. The Role of Competition Authorities in the Formulation and Implementation of Other Policies, e.g. Regulatory Reform, Trade and Industrial Policies .....</b>	<b>32</b>
9.1. Public Bids .....	32
9.2. Grant, Renewal and Transfer of Licenses .....	33
9.3. SMP Investigations .....	34
<b>10. Resources of Competition Authorities .....</b>	<b>35</b>
10.1. Resources Overall (Current Numbers and Change over Previous Year) .....	35
10.2. Human Resources (Person-Years) Applied to Competition Practice .....	35
10.3. Period Covered by the Above Information: .....	36

<b>11. Summaries of or References to New Reports and Studies on Competition Policy Issues .....</b>	<b>36</b>
11.1. OECD Peer Review of Competition Law and Policy: Mexico 2020.....	36
11.2. Studies by IFT .....	36
11.3. Advocacy.....	39
11.4. International.....	40

## Tables

Table 1. Anticompetitive practices and other restrictions to competition	9
Table 2. Fines imposed (in USD)	9
Table 3. Barriers to competition and essential facilities	10
Table 4. Effective competition conditions	10
Table 5. Defense of the Commission's decisions before specialized courts	11
Table 6. Mergers	19
Table 7. Mergers 2020: value of transactions (in million USD)	19
Table 8. M&A Analyzed by IFT in 2	31
Table 9. Number of Cases Related to Licenses Reviewed in 2020	33
Table 10. . IFT's Annual Competition Budget	35
Table 11. Number of IFT Employees in 2020	35
Table 12. Number of IFT Employees by Administrative Unit	35
Table 13. Number of IFT Employees Applied to Competition Practice in 2020	35

## *Mexico*

### **Federal Economic Competition Commission (COFECE)**

#### **Executive Summary**

1. In 2020, the Federal Economic Competition Commission (COFECE or Commission) carried out different actions that allowed full continuity of competition law enforcement amidst the health crisis arisen from the COVID-19 pandemic.
2. In this sense, the Commission issued emergency regulatory provisions for the use of electronic means for all procedures filed before the Commission and for personal notifications made through email.
3. The Commission also issued an official position on enforcing competition law in the context of the health emergency while continuing to focus on high-profile cases in priority sectors of the Mexican economy. For example, during 2020 COFECE initiated probes in the markets for medical oxygen, retail of consumer goods and the lease non-residential real estate (mainly by tenants of commercial spaces).
4. COFECE imposed fines amounting 51 million 104 thousand 919 hundred USD,<sup>1</sup> a 195% increase with respect to 2019. These include fines on companies for illegally coordinating bids of public health institutions to contract laboratory test and blood bank services, both critical for the provision of public health services.
5. As for merger analysis, which continued operating uninterruptedly due to the electronic procedures set up right before the pandemic, COFECE authorized 127 transactions.
6. To respond to the rising importance and challenges of the digital economy, COFECE broadened its capacities and activities in digital markets by: i) launching a Digital Strategy; ii) creating a specialized General Directorate of Digital Markets; iii) initiating an investigation into digital advertising services; and iv) deciding on the high-profile transaction Uber/Cornershop (which the Commission assessed after a specialized court decided in favor of COFECE after a jurisdictional controversy over the transaction with the Federal Institute of Telecommunications, IFT).
7. The Commission issued a resolution on the lack of effective competition conditions in the market of freight railway transportation of chemicals, which derived in tariff regulation from the sector regulator (the Mexican Regulatory Railway Agency).
8. In a case on barriers to competition, the Commission issued an investigative opinion that preliminarily determines the absence of effective competition conditions in the card payments network in Mexico.
9. Advocacy activities were also at the forefront of the Commission's work. This year, COFECE achieved its greatest advocacy success yet after the Supreme Court invalidated a policy issued by the Ministry of Energy which threatened competition in the electricity

---

<sup>1</sup> An exchange rate of 20.35 Mexican pesos per USD is used throughout the document.

sector, against which COFECE presented a constitutional controversy. It also became the only public institution to issue a document with concrete proposals to support economic recovery.

## 2. Changes to competition laws and policies, proposed or adopted

### 2.1. Summary of new legal provisions of competition law and related legislation

#### 2.1.1. Regulatory Provisions<sup>2</sup>

10. The COVID-19 pandemic disrupted the way in which most competition agencies work due to the establishment of social distancing and sanitary policies. Thus, COFECE faced the challenge of ensuring continuity of operations amidst this crisis and implementing the necessary measures to carry out its work remotely and electronically.

11. In the case of merger review, digitization efforts that took place before the pandemic through the *Guidelines for the notification of concentrations through electronic means before the Federal Economic Competition Commission*,<sup>3</sup> which became mandatory since January 2020,<sup>4</sup> contributed to the full continuity of these activities within the Commission.

12. However, the need to define how to handle and process the rest of our enforcement procedures under the new work environment remained. In response, the Commission published in the Federal Official Gazette (DOF per its acronym in Spanish) the following emergency regulatory provisions to ensure the continuity of its operations:

- The Emergency Regulatory Provisions of the Federal Economic Competition Law on the use on electronic means in certain procedures processed before the Federal Economic Competition Commission which establish the rules for the implementation, use and handling of electronic means in procedures such as the filing of complaints and investigations for monopolistic practices, among others. Also, the provisions establish an Electronic Filing Office and a platform to carry out hearings, testimonials, confessionals, among other proceedings.<sup>5</sup>
- The Emergency Regulatory Provisions of the Federal Economic Competition Law to make personal notifications by email which further support the use of electronic means by allowing notifications that usually are made in person to be valid if made via email.<sup>6</sup>

13. Additionally, in March 2020, COFECE published the new Regulatory Provisions for the Immunity and Sanction Reduction Program Foreseen in Article 103 of the Federal

---

<sup>2</sup> Paragraph 20 Section IV of article 28 of the Mexican Constitution empowers COFECE to issue general administrative provisions for the fulfillment of its regulatory function. Article 12, section XVII of the LFCE further reaffirms this power.

<sup>3</sup> The complete Guidelines are available, in Spanish, at <https://bit.ly/32xo2sS>

<sup>4</sup> Press Release COFECE-001-2020 available at <https://bit.ly/3tGLkZd>

<sup>5</sup> DOF. *Acuerdo No. CFCE-154-2020 mediante el cual el Pleno de la Comisión Federal de Competencia Económica emite las Disposiciones Regulatorias de la Ley Federal de Competencia Económica de emergencia sobre medios electrónicos en ciertos procedimientos tramitados ante la Comisión Federal de Competencia Económica* (in Spanish). Available at: <https://bit.ly/3ep7uIW>

<sup>6</sup> DOF. *Acuerdo No. CFCE-104-2020 mediante el cual el Pleno de la Comisión Federal de Competencia Económica emite las Disposiciones Regulatorias de la Ley de Competencia Económica de emergencia para realizar notificaciones personales por correo electrónico* (in Spanish). Available at: <https://bit.ly/3ekqGaP>

Economic Competition Law. These aim to strengthen the program as an investigative tool for detecting and investigating absolute monopolistic practices (the term that Mexican legislation uses to refer to cartels or collusive agreements, including bid rigging).<sup>7</sup> The new provisions seek to increase the program's predictability and transparency by, amongst others: i) providing clarity regarding the process to be followed when an application is received, as well as the rights and obligations of those adhering, ii) providing key information so that applicants can know their position in the chronological order of the immunity application, in case the benefit is granted, and iii) establishing the steps to follow when the Commission considers revoking the benefit to an applicant.<sup>8</sup>

### ***2.1.2. New guidelines and technical criteria***

14. During 2020, the Commission updated the following guidelines and technical criteria:

- For investigations:
  - The Guide for Processing the Investigation Procedure for Relative Monopolistic Practices (the term that Mexican legislation uses to refer to abuse of dominance) or Unlawful Concentrations;<sup>9</sup>
  - The Guide for Processing the Investigation Procedure for Absolute Monopolistic Practices;<sup>10</sup>
  - The Guide for the Initiation of Investigations for Monopolistic Practices and Unlawful Concentrations.<sup>11</sup>
- For other procedures:
  - The Guide for the Exchange of Information between Economic Agents;<sup>12</sup>
  - The Technical Criteria of the Federal Economic Competition Commission for the Request and Issuance of Interim Measures, as well as for the Setting of Sureties.<sup>13</sup>

## **2.2. Institutional response to digital markets**

### ***2.2.1. COFECE Digital Strategy and Digital Markets Unit***

15. In March 2020, the Commission published its Digital Strategy, a document explaining the actions to be taken in the short term by COFECE to successfully address the challenges arising from digital markets. It establishes five actions that will enable the Commission to face digitalization from the perspective of competition:<sup>14</sup>

---

<sup>7</sup> DOF. Acuerdo No. CFCE-049-2020 mediante el cual el Pleno de la Comisión Federal de Competencia Económica emite las Disposiciones Regulatorias del Programa de Inmunidad y Reducción de Sanciones previsto en el artículo 103 de la Ley Federal de Competencia Económica y deroga los artículos 114 al 116 de las Disposiciones Regulatorias de la Ley Federal de Competencia Económica. (in Spanish). Available at: <https://bit.ly/3atwrlI>

<sup>8</sup> A courtesy translation in English of the Provisions is available at: <https://bit.ly/3v6u4wQ>

<sup>9</sup> The complete Guide is available, in Spanish, at <https://bit.ly/3n7ZobO>

<sup>10</sup> The complete Guide is available, in Spanish, at <https://bit.ly/3dDJfYm>

<sup>11</sup> The complete Guide is available, in Spanish, at <https://bit.ly/2QjTtEs>

<sup>12</sup> The complete Guide is available, in Spanish, at <https://bit.ly/3awibbF>

<sup>13</sup> The complete document is available, in Spanish, at <https://bit.ly/3auo9ty>

<sup>14</sup> The complete document is available at <https://bit.ly/3dBHtHd>

- Drafting a document with public policy proposals to address competition concerns in the digital markets;
- Organizing *fora* with international experts to strengthen the knowledge of the Commission's staff on these markets;
- Strengthening the Commission's technical infrastructure for the analysis of considerable the amounts of data and information related to digital markets;
- Establish a Digital Markets Unit to advance the Commission's understanding of the digitalization of the Mexican economy;
- Strengthening international cooperation to identify possible joint actions to contribute to the efficient functioning of digital markets around the world.

16. In July 2020, the Board of Commissioners issued an Agreement to reform and add several provisions to the Commission's Organic Statute.<sup>15</sup> One of the most important outcomes was the establishment of the General Directorate of Digital Markets, a new unit in charge of analyzing the development of digital markets and their implications on competition and free market access. This new unit gathers and generates knowledge on digital markets and supports other substantive units within the Commission in the execution of their activities when related to these markets.

### 3. Enforcement of competition laws and policies

#### 3.1. Actions against anticompetitive practices, including agreements between competitors and abuses of dominant position

17. During 2020, COFECE concluded the analysis of 32 complaints, of which one led to an investigation in the market for the conformity assessment of the alcoholic beverage known as mezcal. One more was integrated into an existing file of an ex officio investigation of the retail of consumer goods.<sup>16</sup>

18. Because of COVID-19, the Commission was forced to stop legal terms for investigations during the first months of the emergency. In July 2020, COFECE was able to resume the processing of investigations.<sup>17</sup> Six investigations were concluded during the second semester of the year, of which:

- Three were closed due to the lack of evidence (in the markets of steel, e-commerce platforms, and slopes and embankments in highways);<sup>18</sup>

---

<sup>15</sup> DOF. *Acuerdo No. CFCE-158-2020 Acuerdo mediante el cual el Pleno de la Comisión Federal de Competencia Económica reforma y adiciona diversas disposiciones del Estatuto Orgánico de la Comisión Federal de Competencia Económica* (in Spanish). Available at: <https://bit.ly/3tFAkvj>

<sup>16</sup> File DE-050-2019 (Possible Relative Monopolistic Practices in the market for the conformity assessment of the alcoholic beverage known as mezcal)

<sup>17</sup> DOF. *Acuerdo No. CFCE-172-2020 Acuerdo mediante el cual el Pleno resuelve que no correrán los plazos de algunos procedimientos tramitados ante la Comisión Federal de Competencia Económica* (in Spanish). Available at <https://bit.ly/3ng9fwo>

<sup>18</sup> Files DE-020-2017/Steel procured by public authorities/Relative Monopolistic Practices, IO-002-2017/E-commerce platforms/Relative Monopolistic Practices and IO-005-2017/Slopes and embankments of highways/Absolute Monopolistic Practices.

- One was closed in the market of public brokers' associations after the parties offered commitments to address competition concerns;<sup>19</sup>
- Two resulted in Statements of Objections in the markets of cellulose products and LP gas, which were notified to the economic agents and published in the DOF in early 2021.<sup>20</sup>

19. As for ex officio investigations, in 2020 the Commission initiated four inquiries of which two are relevant in the context of the pandemic (in the markets of medical oxygen and non-residential real estate spaces). The others are related the markets for digital advertisement services and retail of consumer goods.<sup>21</sup>

20. Also, four trial-like procedures (second phase of an investigation procedure<sup>22</sup>) were concluded. Of these, three resulted in fines (in the markets of polyethylene products and laboratory test and blood bank services procured by the public health sector and for the retail of gasoline and diesel in the state of Baja California),<sup>23</sup> and one was closed without liability (in the market of salt).<sup>24</sup>

---

<sup>19</sup> File DE-018-2018/Public Brokers' Colleges/Relative Monopolistic Practices.

<sup>20</sup> Files IO-004-2017/Cellulose Hygiene Products/Absolute Monopolistic Practices and DE-022-2017/LP Gas/Absolute Monopolistic Practices.

<sup>21</sup> Files IO-001-2020/Medical Oxygen/Relative Monopolistic Practices, IO-003-2020/Digital advertisement services/Relative Monopolistic Practices, IO-00220/Retail of consumer goods/Relative Monopolistic Practices and IO-004-2020/Non-residential real estate/Absolute Monopolistic Practices.

<sup>22</sup> In the Mexican competition law, the process for reaching a decision regarding anticompetitive practices involves two phases: (i) the investigation which is carried out by the Investigative Authority and concludes with the issuance of an investigative opinion proposing either the initiation of the investigation (through a statement of objections) due to objective elements that indicate a probable responsibility or the closing of the file due to the lack of elements; and if a statement of objections is issued (ii) the trial like procedure in which the alleged offenders have the right to argue in their favor and submit evidence so that the Board of Commissioners can issue a resolution stemming from a complete case file.

<sup>23</sup> Files DE-020-2014/Polyethene products procured by public health sector/Absolute Monopolistic Practices, DE-011-2016/Laboratory tests and blood banks/Absolute Monopolistic Practices and DE-022-2015/Service Stations of gasolines and diesel/Absolute monopolistic practices.

<sup>24</sup> File DE-015-2015 (wholesale sale of salt).



**Table 1. Anticompetitive practices and other restrictions to competition<sup>25</sup>**

	Complaints				
	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter	Total
Received complaints	8	1	11	11	31
Analysis concluded	13	0	5	14	32
Leading to investigations	1	0	0	0	1
Dismissed	12	0	5	13	30
Integrated into a case file	0	0	0	1	1
	Investigations				
Initiated	1	0	3	1	5
Concluded	0	3	1	2	6
No evidence of anticompetitive practice	0	2	1	0	3
Notification of statement of objections <sup>26</sup>	0	0	0	2	2
Early closure with commitments	0	1	0	0	1
	Trial-like procedures				
Trial-like procedures concluded	2	0	2	0	4
Sanctions imposed	1	0	2	0	3
Closed without liability	1	0	0	0	1
Closure with commitments	0	0	0	0	0

Source: Internal Statistics and COFECE. *Quarterly reports 2020*, available in Spanish at: <https://www.cofece.mx/category/planeacion-informes/informes-trimestrales/>

21. In 2020, COFECE imposed fines totaling 51 million 104 thousand 919 hundred USD, a 195% increase with respect to those imposed in 2019. Despite the pandemic, continued enforcement and decision-making from the Commission led to a 549% increase in fines for cartel offences with respect to the previous year.

**Table 2. Fines imposed (in USD)**

	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter	Total
Sanctions for breaching the law	1,414,776	1,684,204	33,512,590	980,742	37,592,312
Enforcement measures	2,309,895	4.26	11,044,074	158,633	13,512,607
Total value	3,724,671	1,684,208	44,556,665	1,139,376	51,104,919

Source: Internal Statistics and COFECE. *Quarterly reports 2020*, available in Spanish at: <https://www.cofece.mx/category/planeacion-informes/informes-trimestrales/>

22. Article 94 of the Federal Economic Competition Law (LFCE) empowers COFECE to investigate barriers to competition,<sup>27</sup> and if needed, order measures to mitigate possible anticompetitive effects. In 2020, the Commission's Investigative Authority concluded an investigation into the card payments system in Mexico and issued a preliminary

<sup>25</sup> The number of received investigation may not equal the number of concluded investigations since these could include inquiries that were initiated in another year or are pending from other periods.

<sup>26</sup> Pursuant to article 78 of the LFCE, after the Investigative Authority finishes its investigation, it shall present an investigative opinion to the Board of Commissioners proposing either the initiation of the trial-like procedure or the closure of the file due to a lack of elements. If the Board decides to initiate the trial-like procedure, the involved economic agents are notified of the Statement of Objections and this phase formally begins.

<sup>27</sup> Article 94 also allows for investigations regarding the existence of essential facilities.

investigative opinion noting the non-existence of effective competition conditions in said market.<sup>28</sup> This case and procedure are explained with further detail in section 3.4.1 of this report.

**Table 3. Barriers to competition and essential facilities**

Phase I					
	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter	Total
Initiated	0	0	0	0	0
Concluded	0	0	0	1	1
Preliminary Investigative Opinion issued	0	0	0	1	1
Closure of the file	0	0	0	0	0
Phase II					
Initiated	0	0	0	1	1
Concluded	1	0	0	0	1
Pending for the next period	0	0	0	1	1

Source: Internal Statistics and COFECE. Quarterly reports 2020, available in Spanish at: <https://www.cofece.mx/category/planeacion-informes/informes-trimestrales/>

23. Article 96 of the LFCE allows the Commission to decide on effective competition conditions (or lack thereof) in markets. This power works in conjunction with other norms, such as some sectoral laws and regulation, which allow regulators to exercise certain powers, such as setting tariffs or access terms, in markets where the Commission has found a complete lack of competition.

24. This year, COFECE issued a resolution declaring the non-existence of effective competition conditions in the freight railway transportation of chemicals and petrochemicals in the state of Veracruz.<sup>29</sup> This case is explained with more detail in section 3.4.4 of this report.

**Table 4. Effective competition conditions**

Phase I					
	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter	Total
Initiated	0	0	1	0	1
Concluded	0	0	0	0	0
Pending for next period	0	0	1	1	1
Phase II					
Initiated	0	0	0	0	0
Concluded	1	0	0	0	1
Pending for the next period	0	0	0	0	0

Source: Internal Statistics and COFECE. Quarterly reports 2020, available in Spanish at: <https://www.cofece.mx/category/planeacion-informes/informes-trimestrales/>

<sup>28</sup> File IEBC-005-3018

<sup>29</sup> File DC-003-2018

### 3.2. Antitrust cases in the courts

25. In 2020, the Judiciary confirmed 62.8% of COFECE's decisions, which means that 27 out of 43 analyzed cases were fully upheld. In another 15 cases the specialized courts ruled in favor of economic agents who filed appeals against COFECE's decisions. It is noteworthy that in 3 out of these 15 cases, the Judiciary confirmed the anticompetitive practices identified by COFECE had been carried out by the economic agents and only disagreed with the fines imposed, ordering a recalculation.<sup>30</sup> In this sense, the Judiciary agreed with COFECE regarding breaches to the LFCE in 30 out of 43 cases.<sup>31</sup> Finally, there was one case in which there were no actions attributable to the Commission.

**Table 5. Defense of the Commission's decisions before specialized courts**

	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter	Total
Pending from the previous period	122	130	141	182	NA
Admitted/Received	29	12	52	56	149
Resolved by the Judiciary	21	0	11	11	43
<i>Amparos</i> * dismissed	6	0	1	3	10
<i>Amparos</i> denied	9	0	6	2	17
<i>Amparos</i> granted	6	0	4	5	15
Others**	0	0	0	1	1

Note: \*Amparos are appeals against COFECE's decisions filed before the specialized courts.

\*\*Amparos in which there were no actions attributable to the Commission.

Source: Internal Statistics and COFECE. Quarterly reports 2020, available in Spanish at: <https://www.cofece.mx/category/planeacion-informes/informes-trimestrales/>

26. This year, the First Circuit Collegiate Court Specialized in Economic Competition, Broadcasting and Telecommunications issued a landmark decision regarding competition analysis in digital markets. This Court unanimously ruled that solving the merger between *Uber* and *Cornershop*<sup>32</sup> falls within COFECE's scope of powers, after the Federal Telecommunications Institute (IFT per its acronym in Spanish) claimed competence to analyze the transaction arguing that the parties belong to the "internet ecosystem", thus to the telecommunications competition agency's scope of powers.<sup>33</sup> In its defense before the Court, the Commission's main argument was that digital platforms such as *Uber* and *Cornershop* do not provide telecommunications services, but rather use these as an input to offer their respective services.

27. The main considerations made by this Court in resolving this jurisdictional conflict were that the notifying parties: i) are not telecommunications concessionaires, they only

<sup>30</sup> The other 10 *amparos* were related to enforcement measures (8), a closure of a file (1) and an opinion (1).

<sup>31</sup> In the other 2 cases, the *amparo* was fully granted by the Judiciary.

<sup>32</sup> *Uber* is a platform that operates through: (i) a mobile app that connects passengers with drivers and (ii) an on-demand delivery mobile app of foods sold by restaurants and distributed by deliverymen. *Cornershop* offers logistical services for the exhibition, purchase and immediate delivery of products offered by retailers through their website and a mobile app, it is the largest economic agent with these services in the Mexican cities in which it operates.

<sup>33</sup> Press Release COFECE-020-2020 available at: <https://bit.ly/3vmtZp9>

use these to provide their own services through a digital platform; ii) provide services that are not of telecommunications, but of logistics and intermediation between users, drivers and deliverers; and iii) use the internet as an input, which does not constitute the platform's service nor represent a source of income.

### 3.3. Enforcement during the COVID-19 emergency

28. COFECE issued its position for enforcing the LFCE in the context of the health emergency, which established: i) not prosecuting collaboration agreements between economic agents as long as these do not have the objective of displacing competitors and are deemed necessary for maintaining or raising the supply, to satisfy the demand, to protect the supply chain or to avoid the shortage or hoarding of food during the COVID emergency and are previously notified to and authorized by COFECE, ii) a call to economic agents to ensure that price increases should obey individual and independent decisions and not be induced, promoted or recommended by business associations, iii) keeping close attention to the behavior of sensitive markets in which indiscriminate price hikes are observed so that the Commission can evaluate and rule out that these are not the result of anticompetitive conducts, and iv) a commitment from the Commission to an expedite review of those mergers notified which result from the need to create synergies and increase production capacities to respond to the emergency.<sup>34</sup>

### 3.4. New significant cases<sup>35</sup>

29. Despite the COVID-19 pandemic, in 2020 COFECE remained vigilant in the sectors identified in its 2018-2021 Strategic Plan (financial, agri-food, energy, transport, health and public procurement) as well as in digital markets, further addressing the challenges for competition derived from the rising digitalization of the economy. The following sections provide a description of the Commission's work in these sectors and markets.

#### 3.4.1. Financial

##### *Lack of competition conditions in the card payments system*

30. In December, the Investigative Authority preliminarily determined the absence of effective competition conditions in the card payments network in Mexico due to the probable existence of barriers to competition that generate costs and anticompetitive requirements for the entry of new participants into the market.<sup>36</sup> The market investigation found, among other aspects, that the sole card payment network operating in Mexico applies rules that hinder coexistence with other payment networks as well as regulatory requirements that increase entry costs for new participants. Additionally, the clearinghouses that operate in this network are co-owned by the eight largest banks in Mexico, which grants them with access to strategic information not available to competitors. Finally, card brand holders bear the obligation to guarantee daily liquidity, all of which generates overprices, less competition, security issues for the transactions carried

---

<sup>34</sup> Press Release COFECE-012-2020 available at: <https://bit.ly/3vOSmsa>

<sup>35</sup> Cases marked in the title with an \* are cases in which the investigation was initiated in 2019 but its announcement was published in the DOF during 2020.

<sup>36</sup> Press Release COFECE-045-2020 available at: <https://bit.ly/2PfGvHy>

out in this network and impacts the exchange quotas and the use of debit/credit cards (or even cash flowing) in Mexico.<sup>37</sup>

31. The extract of the preliminary investigative opinion has been published in the DOF to allow economic agents with an interest in this procedure to present the statements and arguments they deem appropriate. The Board of Commissioners will then analyze the information provided by economic agents and the Investigative Authority in order to decide whether to confirm the sense of the preliminary opinion and issue the corresponding final resolution and remedies to eliminate the barriers to competition.<sup>38</sup>

### **3.4.2. Agri-food**

#### *Possible absolute monopolistic practices in the tortilla market of Huixtla, Chiapas\**

32. In March 2020, the Investigative Authority announced the initiation of a probe into possible absolute monopolistic practices in the market for the production, distribution, and commercialization of corn tortillas in the municipality of Huixtla, in the southern state of Chiapas. Corn tortillas are deeply connected to the spending of households, mainly those with lower incomes, and are a staple product in the Mexican diet. Hence, ensuring competitive conditions in tortilla markets is of the utmost importance for Mexican consumers. The investigation is ongoing.<sup>39</sup>

#### *Possible abuse of dominance in the market of consumer goods*

33. In November 2020, the Investigative Authority announced the initiation of an investigation into possible relative monopolistic practices, also known as abuse of dominance, in the market for the supply, distribution and retail sale of consumer goods and related services. This is an ongoing investigation.<sup>40</sup>

#### **1.1.1. Energy**

#### *Possible absolute monopolistic practices in the marine diesel market\**

34. In February 2020, the Investigative Authority announced the initiation of an investigation derived from a complaint into possible absolute monopolistic practices in the market for public retail of marine diesel at service stations in the national territory.<sup>41</sup> Marine diesel is the fuel used by vessels and is retailed at service stations located in coastal zones or near river mouths. This is an ongoing investigation.

#### *Fines for collusive agreements in gasoline prices*

35. In September 2020, the Board of Commissioners determined that several companies that belong to five economic interest groups; as well as six partnerships, along with 11 natural persons who acted on their behalf, entered into illegal agreements to maintain gasoline prices in the municipalities of Tijuana and Mexicali, in the Mexican state of Baja California, at the maximum price determined by the Ministry of Finance and Public Credit. Likewise, it concluded that three associations of service stations and four natural

<sup>37</sup> The complete preliminary investigative opinion is available, in Spanish, at: <https://bit.ly/3gGFd3J>

<sup>38</sup> In this case, the Investigative Authority proposed the divestiture of 51% of the shares of the clearinghouses (*E-Global* and *Prosa*) currently owned by some banks.

<sup>39</sup> Press Release COFECE-009-2020 available at: <https://bit.ly/32Cwl6E>

<sup>40</sup> Press Release COFECE-042-2020, available at: <https://bit.ly/32xFAFr>

<sup>41</sup> Press Release COFECE-007-2020 available at: <https://bit.ly/32xZfoH>

persons contributed to, encouraged, and/or induced these illegal agreements. Consequently, fines totaling 2 million 506 thousand 142 hundred USD were imposed on the economic agents who participated in this cartel.<sup>42</sup>

### 3.4.3. *Transport*

#### *Lack of competition conditions in freight railway transportation*

36. As mentioned before, in February 2020, the Board of Commissioners determined the lack of effective competition in 20 routes of the public freight railway transportation of chlorine, ethylene oxide, anhydrous ammonia and caustic soda originating in the southern region of the state of Veracruz.<sup>43</sup> The Commission found that these routes are entirely operated by only two companies which can impose conditions on users of this service in their respective routes, and users cannot substitute these services with other means of transportation. Thus, COFECE formally declared the non-existence of effective competition conditions and noted that the sectoral regulator could regulate rates or determine new trackage rights to open new transport alternatives if it deemed necessary.<sup>44</sup>

37. Consequently, and in accordance with COFECE's resolution, the LFCE and the Railroad Service Regulatory Law,<sup>45</sup> in August 2020 the sectoral regulator, the Regulatory Agency of Rail Transport, enacted tariff regulation on the concessionaires of those routes, consisting in the establishment of maximum tariff per ton-km for each route combination, portion of the route and product.<sup>46</sup> This is the first time that the sectoral regulator was able to use its powers to regulate based on a Commission's resolution.

#### *Investigation on competition conditions in maritime passenger transportation services*

38. In July 2020, the Investigative Authority initiated a procedure to determine the existence of effective competition conditions in the services for maritime passenger transportation services in routes with origin or destination in the northern zone of the state of Quintana Roo and in related services.<sup>47</sup> The procedure could derive in the issuance of a preliminary investigative opinion by the Investigative Authority which would have to be reviewed by the Board of Commissioners in order to confirm the possible lack of competition conditions. After this confirmation, the Ministry of Communications and Transportation would be able to issue regulatory measures in matters such as fees or access to infrastructure. Maritime transportation of passengers is of great relevance in the state of Quintana Roo as it is basically the only way of transporting tourists and locals between the mainland (Cancun, Playa del Carmen, etc.) and the islands (Cozumel, Isla Mujeres).

### 3.4.4. *Health*

#### *Possible abuse of dominance in the market for medical oxygen*

39. In July 2020, the Investigative Authority initiated an ex officio investigation for possible relative monopolistic practices, consisting in the establishment of exclusivity

---

<sup>42</sup> Press Release COFECE-034-2020 available at: <https://bit.ly/3asgJXG>

<sup>43</sup> Press Release COFECE-004-2020, available at: <https://bit.ly/3arqXYE>

<sup>44</sup> The public version of the resolution is available, in Spanish, at <https://bit.ly/3n7S7bW>

<sup>45</sup> Article 96 of the LFCE and articles 36 and 47 of the Railroad Service Regulatory Law.

<sup>46</sup> The information regarding the sectoral regulator's resolution is available, in Spanish, at: <https://bit.ly/3atRC6R>

<sup>47</sup> Press Release COFECE-029-2020, available at: <https://bit.ly/3n8y90F>



conditions for the sale or purchase in the market for the production, distribution and commercialization of medical oxygen and related services in the Mexican territory.<sup>48</sup> In the context of the pandemic, this investigation is relevant as medical oxygen is used as medicine for respiratory ailments, for the treatment or prevention of oxygen deficiency in blood, among other critical health uses. This is an ongoing investigation.

*Sanction for failing to comply with commitments derived from a merger*

40. In June 2020, the Board of Commissioners imposed combined fines amounting to 1,518,083 USD against the Dutch fund *Moench Coöperatif* and Luis Doporto Alejandro as they failed to prove compliance with the commitments made in 2018 to eliminate, in a total and permanent way, any possible link that could exist between the companies *Nadro* and *Marzam*.<sup>49</sup> The aforementioned measures were imposed on the parties in 2018 in order to close an investigation for a possible unlawful concentration in the market for the wholesale distribution and commercialization of pharmaceutical products, which found indications that the financing scheme and contractual guarantees agreed to buy *Marzam*, could transfer, under certain assumptions, its control to *Nadro*, which would hamper competition due to their joint market shares.<sup>50</sup> It is worth noting that this case derived from information in the 2016 *Panama Papers*.

**3.4.5. Public Procurement - Health**

*Sanction for bid rigging in the market for polyethylene gloves*

41. In February 2020, the Board of Commissioners imposed a total of 1 million 414 thousand 742 hundred USD in fines against *Productos Galeno*, *Holiday de México* and two natural persons who colluded to coordinate prices and discounts in public tenders convened by the Mexican Social Security Institute (IMSS for its acronym in Spanish) to procure disposable polyethylene gloves.<sup>51</sup> The investigation found that *Productos Galeno* and *Holiday de Mexico*, which belonged to the same economic interest group, appeared as competitors to each other by presenting bids for the same items between 2011 and 2013; however, when drafting their proposals, the companies exchanged information to coordinate their bids in terms of prices and discounts.

42. This case is relevant since the Commission had previously closed the file because both companies belonged to the same economic interest group. However, after considering that it is possible to prove an absolute monopolistic practice when companies belonging to the same group are involved but present themselves as competitors, the Federal Judiciary ordered the re-initiation of the procedure, which ultimately allowed COFECE to fine the companies despite their affiliation.

*Sanction for bid rigging in laboratory tests and blood banks*

43. In August 2020, the Board of Commissioners determined that 11 companies<sup>52</sup> and 14 natural persons agreed to and/or exchanged information for coordinating bids or abstaining from participating in tenders convened by the IMSS and the Institute for Social

<sup>48</sup> Press Release COFECE-030-2020, available at: <https://bit.ly/3atkv3f>

<sup>49</sup> Press Release COFECE-026-2020, available at: <https://bit.ly/3xbOuX7>

<sup>50</sup> Press Release COFECE-044-2018, available at: <https://bit.ly/2P81plo>

<sup>51</sup> Press Release COFECE-006-2020, available at: <https://bit.ly/32zW1kr>

<sup>52</sup> The fined companies were: *Selecciones Médicas*, *Selecciones Médicas del Centro*, *Centrum Promotora Internacional*, *Impromed*, *Homoser*, *Instrumentos y Equipos Falcón*, *Dicipa*, *Grupo Vitalmex*, *Vitalmex International*, *Vitalmex Administración* and *Vitalmex Soporte Técnico*.

Security and Services for State Workers (ISSSTE per its acronym in Spanish) for the procurement of comprehensive services for laboratory tests and blood banks.<sup>53</sup> The Commission found that the economic agents established a non-aggression pact, avoiding competition and allocating the items of the tenders through intense communications via email and phone calls. Consequently, the Board of Commissioners determined to fine the participants of the collusion with the maximum amounts established in the LFCE, which in this case reached 30 million 784 thousand 153 hundred USD. Additionally, the Board determined to notify this matter to the Ministry of Public Administration, as well as to both IMSS and ISSSTE for the corresponding legal effects in case they find related corruption acts.

### **3.4.6. Digital Markets**

#### *Investigation into the market for digital advertisement services*

44. In August 2020, the Investigative Authority announced the initiation of an ex officio investigation into possible relative monopolistic practices in the market for digital advertisement services and related services, consisting of tied purchases or sales and /or increasing the costs or hindering the production process or reducing the demand faced by other economic agents.<sup>54</sup> This is an ongoing investigation.

### **3.4.7. Other sectors**

#### *Possible absolute monopolistic practices in the market of waterproofing products\**

45. In September 2020, the Investigative Authority announced the initiation of an investigation into possible absolute monopolistic practices in the market for the production, distribution, and commercialization of waterproofing products in the Mexican territory.<sup>55</sup> Waterproofing products are a key input for the construction industry, but also for Mexican households looking to provide maintenance to their homes. This is an ongoing investigation.

#### *Possible absolute monopolistic practices in the leasing of non-residential real estate spaces*

46. In October 2020, the Investigative Authority announced the initiation of an investigation for probable absolute monopolistic practices in the market for non-residential real estate, mainly related to the leasing of commercial space by tenants.<sup>56</sup> The investigation is ongoing.

## **3.5. Warnings by the Investigative Authority**

47. The Investigative Authority has the power to monitor compliance with the LFCE. To this end, it can issue warning letters to inform or remind economic agents about possible violations to the law or that the Commission could investigate possible anticompetitive practices if necessary.

---

<sup>53</sup> Press Release COFECE-031-2020, available at: <https://bit.ly/3x7xiSy>

<sup>54</sup> Press Release COFECE-033-2020 available at: <https://bit.ly/3xgEg83>

<sup>55</sup> Press Release COFECE-035-2020, available at: <https://bit.ly/2Qfg998>

<sup>56</sup> Press Release COFECE-039-2020, available at: <https://bit.ly/3gpWtKh>



48. In 2020, the Investigative Authority issued 3 warnings. Two of these were particularly important since they are related to markets sensitive to the COVID-19 pandemic:

### ***3.5.1. Warnings to the National Chamber of the Sugar and Alcohol Industry and the National Association of Real Estate Developers***

49. By the end of March 2020, the Investigative Authority of the Commission issued two warning letters regarding possible agreements between economic agents that could be resulting in anticompetitive practices. In both of cases, the Commission strongly urged the parties to oversee and encourage their members to make strictly individual decisions in accordance with their business strategies and avoid any unlawful coordination or agreement between competitors to manipulate prices or displace competitors:

- The first letter was directed to the National Chamber of the Sugar and Alcohol Industry and raised concerns about possible increases in the prices for pure alcohol, alcohol products and some inputs for its production, such as molasses, which could be the result of possible agreements between competitors to manipulate prices. These products are important inputs in hygiene consumables (such as alcohol-based products used for sanitization) that have observed an increased demand during the pandemic.<sup>57</sup>
- In a second letter, COFECE warned the National Association of Real Estate Developers to avoid promoting among its members the granting of coordinated discounts to tenants, which could represent a breach to the law if said discounts were to be established or fixed via an agreement between developers with the object or effect of establishing a quota or a maximum discount. This warning is especially important to avoid aggravating the complex economic scenario faced by stores within shopping centers as they suffered a relevant decrease in the number of customers and sales. Agreements between vendors and tenants in terms of temporal rental discounts is a valid measure, but an agreement between tenants to fix limits to rent discounts to their clients, beside breaching the LFCE, could lead to more closures than would have occurred without the agreement, deepening the slump and slowing down recovery.<sup>58</sup>

### ***3.5.2. Warning to several associations of tortilla producers***

50. In November 2020, the Investigative Authority issued warnings to the National Tortilla Council and several groups in the states of Hidalgo, Tamaulipas and Puebla regarding the consequences of possible increases in the price of tortilla per kilogram, if these result from an agreement between competitors. In its warning, the Investigative Authority urged the Council and representatives from the groups to avoid issuing recommendations on price increases, as well as to foster and oversee that decisions on the sale and retail price are made based on business strategies and in a strictly individual manner.<sup>59</sup>

## **3.6. Ongoing investigations that were carried over from 2019 to 2020**

51. In accordance with the LFCE, the Investigative Authority has up to 120 working days to conclude an investigation and this period can be extended up to 4 times due to the

---

<sup>57</sup> Press Release COFECE-014-2020 available at: <https://bit.ly/3xn9IXN>

<sup>58</sup> Press Release COFECE-015-2020 available at: <https://bit.ly/3avLET3>

<sup>59</sup> Press Release COFECE-043-2020 available at: <https://bit.ly/2RP5Fxr>

complexity of the case. Therefore, the following 13 cases were carried over from 2019 to 2020 and are still ongoing:

- Probes into possible absolute monopolistic practices (7):<sup>60</sup>
  - Market for the signing of professional football players in Mexico.
  - Renewal and maintenance of technology used in road systems.
  - Production, distribution, and commercialization of corn flour in the national territory.
  - Public retail of oil products through service stations in the national territory.
  - Production, distribution and commercialization of Tortillas in Huixtla, Chiapas.
  - Production, distribution and commercialization of waterproofing products.
  - Marine diesel.
- Probes into possible relative monopolistic practices (5):<sup>61</sup>
  - Commercialization, storage and transport of oil products in Mexico and related services.
  - Import, commercialization, transport, storage, distribution and public retail of LP gas in the national territory.
  - Commercialization, distribution and public retail of gasoline and diesel through service stations in the national territory.
  - Conformity assessment of the alcoholic beverage known as mezcal.
  - Federal Passenger Transportation with the Mexico City International Airport as an origin or destination.
- Market investigations into possible barriers to competition (1):<sup>62</sup>
  - National market of fuels for aircrafts, which included the production, import, storage, transport, distribution, commercialization, retail and related.

52. As for trial-like procedures, 6 cases were carried over from 2019 to 2020 of which four were resolved and are explained in section 3.1.<sup>63</sup> The two still pending are:<sup>64</sup>

- For possible absolute monopolistic practices:
  - Market for the brokerage of debt bonds issued by the Mexican government.
  - Production, distribution and commercialization of medicines in the national territory.

---

<sup>60</sup> The case files are: IO-002-2018, IO-003-2018, IO-004-2018, DE-009-2019, DE-032-2019, IO-002-2019, and DE-029-2019.

<sup>61</sup> The case files are: IO-001-2018, DE-044-2018, IO-001-2019, DE-050-2019 and DE-013-2018.

<sup>62</sup> The case file is IEBC-002-2019.

<sup>63</sup> The concluded trial-like procedures are those for files: DE-020-2014, DE-015-2015, DE-011-2016 and DE-022-201.

<sup>64</sup> The case files are: IO-006-2016 and IO-001-2016.

## 4. Mergers and acquisitions

### 4.1. Enforcement statistics: mergers

53. This year, the Commission was able to continue its merger review amidst the pandemic thanks to the mandatory electronic notification of mergers implemented since January 2020; this allowed the authorization of 127 transactions.

**Table 6. Mergers**

	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter	Total
Pending from last period	39	43	36	29	147
Admitted	43	31	23	29	126
Analysis concluded	39	38	30	33	140
Authorized	37	31	28	31	127
Subject to conditions	0	0	0	0	0
Rejected	0	0	0	0	0
Other (Non presented, not admitted to process and desisted mergers)	2	6	2	2	12
Pending for next period	45	36	29	25	NA

Source: Internal Statistics and COFECE. Quarterly reports 2020, available in Spanish at: <https://www.cofece.mx/category/planeacion-informes/informes-trimestrales/>

54. The value of the mergers analyzed by COFECE during 2020 amounted approximately 61 thousand 870 hundred USD. Most mergers authorized were in sectors related to manufacturing industries, real estate and leasing services, financial services and insurance, and construction.<sup>65</sup>

**Table 7. Mergers 2020: value of transactions (in million USD)**

	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter	Total
Total value	19,510	12,785	9,517	20,058	61,870
Number of cases	37	36	28	33	134
National scope (total value)	5,976	5,557	1,956	4,708	18,197
National scope (number of cases)	16	17	14	20	67
International scope (total value)	13,533	7,228	7,562	15,350	43,673
International scope (number of cases)	21	19	14	13	67

Source: Internal Statistics and COFECE. Quarterly reports 2020, available in Spanish at: <https://www.cofece.mx/category/planeacion-informes/informes-trimestrales/>

<sup>65</sup> All the information regarding merger review in 2020 can be found in the Concentrations Report, the 2020 version is available, in Spanish, at <https://bit.ly/3ngayLO>

## 4.2. Significant cases: mergers

### 4.2.1. *AbbVie / Venice Subsidiary LLC / Allergan*

55. In January 2020, the Board of Commissioners discussed and resolved to authorize the transaction in the medical aesthetics market between *AbbVie* and *Allergan*. The Commission's analysis of the horizontal and vertical effects of the transaction, found that there were few possibilities of negative effects to competition. The resolution noted that the notified operation included the divestment of *Allergan's* Brazikumab to a third party, thus the merging parties should assess the need to notify this divestment to the Commission pursuant to the LFCE. Moreover, the resolution acknowledged the commitment offered to the European Commission for the same transaction as another factor to conclude that the operation would not affect the process of competition.<sup>66</sup>

### 4.2.2. *EssilorLuxottica / GrandVision*

56. In August 2020, the Board of Commissioners determined that the acquisition of *GrandVision* by *EssilorLuxottica* would have few probabilities of affecting the process of competition and free market access. Therefore, it resolved to unconditionally authorize the operation.<sup>67</sup> The Commission analysis found that the transaction would have horizontal effects since both parties sell optometric instruments and finished ophthalmic lenses at wholesale. However, the parties do not have market power to displace their respective competitors.<sup>68</sup>

### 4.2.3. *BestDay / Despegar Corp*

57. In September 2020, the Board of Commissioners resolved to authorize the acquisition of *BestDay* by *Despegar Corp*, owner of the *Despegar.com*, one of the leading travel comparison websites in Latin America. The Commission found that the operation would have few possibilities of affecting the process of competition and free market access.<sup>69</sup>

### 4.2.4. *Uber / Cornershop*

58. In December 2020, after COFECE was declared by the Judiciary Branch as the competent competition authority to decide on the matter, the Board of Commissioners determined to authorize *Uber's* acquisition of *Cornershop*, a platform that allows users to order groceries from supermarkets and local retailers for home delivery. The analysis carried out by the Commission found there are other economic agents that exercise competitive pressure on the groceries business, as well as potential competitors that could address the entrance of the new merged entity. Besides, given the dynamism of this sector, blocking the operation would have been counterproductive for the development of the market.<sup>70</sup>

---

<sup>66</sup> The public version of the resolution of file CNT-089-2019 is available, in Spanish, at: <https://bit.ly/3tRLM6U>

<sup>67</sup> Public version of the resolution to file CNT-118-2019, available in Spanish at: <https://bit.ly/3tIYzJ8>

<sup>68</sup> COFECE (2020) *Informe de Concentraciones 2020* (Concentrations Report 2020). Available, in Spanish, at: <https://bit.ly/3dG0kRL>

<sup>69</sup> The public version of the resolution of file CNT-057-2020 is available, in Spanish, at: <https://bit.ly/3ashJLq>

<sup>70</sup> A brief article analyzing this merger is available, in Spanish, at: <https://bit.ly/3gu526I>

## 5. Competition Advocacy

59. COFECE advocates for the benefits of competition among several audiences by positioning the topic in the public agenda through the promotion of procompetitive regulatory frameworks. In 2020, the Commission issued several opinions, a market study and other documents addressed to lawmakers, regulatory agencies, as well as other public authorities and institutions.

### 5.1. The role of competition authorities in the formulation and implementation of other policies

60. COFECE has the power to issue non-binding opinions regarding laws and regulations, draft provisions and other legal frameworks that could have adverse effects on competition and free market access. In 2020, the most significant opinions issued were:

#### 5.1.1. Energy

##### *Opinion and constitutional controversy in the electric sector*

61. In May 2020, the Commission issued an opinion addressed to the Ministry of Energy, the Energy Regulatory Commission and the National Energy Control Center (i.e., the national grid operator) regarding the *Agreement to guarantee the efficiency, quality, reliability, continuity and safety of the National Electric System as a consequence of the acknowledgement of the COVID-19 pandemic* which established extraordinary measures in light of an alleged reduction of the electric energy consumption due to the health emergency.<sup>71</sup> In its opinion, COFECE noted that such measures should be based on technical, non-discriminatory and transparent criteria, not hinder the operation of wind and solar power generators (which are more efficient potential entrants) and analyze, together with all the actors of the sector, the actions required to create a stable system in line with the country's energy needs and capacity in the medium term.<sup>72</sup>

62. Despite the recommendations made by COFECE in the aforementioned opinion, risks to competition in the electricity sector were aggravated weeks later when the Ministry of Energy issued a *Policy for Reliability, Security, Continuity and Quality of the National Electric System* which made permanent many of the operator's measures. The Policy eliminated competition in the generation and supply of electricity as set forth in the Mexican constitution and Electricity Act in force because it compromised two pillars of competition in the sector: (i) open and non-discriminatory access to transmission and distribution networks (natural monopolies owned and operated by the State-owned enterprise), (ii) the mechanisms by which the generators are dispatched in order of efficiency (the cheapest ones first, then according to increasing costs, which promoted competition and entry of more efficient generators); and granted advantages in favor of certain participants (mainly the State-owned enterprise).

63. COFECE considered that these measures could effectively eliminate competition in the generation and supply of electricity and consequently filed a constitutional controversy before the Supreme Court of Justice to rule on the limits that the sector regulator has regarding the constitutional principles of competition when issuing regulation. The Supreme Court soon ordered the suspension of the measures contained in

<sup>71</sup> Press Release COFECE-018-2020 available at: <https://bit.ly/3guuZTC>

<sup>72</sup> The complete opinion is available, in Spanish, at: <https://bit.ly/3ensFLK>

the Policy until its final ruling. In February 2021, the Supreme Court ruled in favor of COFECE and declared the Policy's provisions as unconstitutional and invalidated them.

*Opinion on the implementation of regulation in gasoline markets*

64. In July 2020, the Board of Commissioners issued an opinion addressed to the Ministry of Energy and the Energy Regulatory Commission recommending that regulations for obtaining new permits for imports and public retail of gasolines in services stations for brands other than the State-owned enterprise (PEMEX), as well as the modifications and transfers of these permits, should be applied in an expedite and non-discriminatory manner, as these permits are currently being delayed or not processed at all. For example, regarding imports, since 2018 the Ministry of Energy has not granted any 20-year permits, but only those with a one-year validity. Furthermore, as of January 2019, the average timeframe for the issuance of permits for the retail of gasolines has gone from 21 to 75 working days, with permits related to the PEMEX brand taking 66 days to resolve, compared to 84 days for other brands.<sup>73</sup>

*Opinion on the draft that modifies the Agreement to obtain import and export permits for hydrocarbons and oil products*

65. In December 2020, the Commission issued an opinion directed to the Ministries of Energy and Economy regarding the proposed changes to the regulation of imports and exports of oil products, hydrocarbons and petrochemicals. This, as the Board of Commissioners determined that the proposed regulation would: (i) reduce incentives to invest in transport and storage infrastructure by removing 20-year import permits and substituting them with 5-year ones, (ii) grant the Ministry of Energy broad discretion to adjust import and export volumes of oil products and petrochemicals, (iii) allow the authority to deny permits without justification or explanation, (iv) establish unclear and burdensome requirements for the application to permits, and (v) distort the administrative figure of the permit.<sup>74</sup> As a result, amongst other issues, of COFECE's opinion, in early 2021 a Federal Judge from a specialized tribunal granted a suspension to the *Agreement*, which was later repealed through a publication in the DOF by the aforementioned Ministries.

**5.1.2. Retirement Savings System**

*Opinion on the proposal to regulate the commissions charged by retirement fund administrators*

66. In November 2020, the Board of Commissioners issued an opinion recommending Congress not to pass the Initiative with a Draft Decree to reform, add and repeal several provisions of the Social Security Law and the Retirement Savings Law in the terms established, as it imposed an inflexible cap in the law on the commissions charged by Retirement Fund Administrators.<sup>75</sup> Consequently, the Commission recommended the adoption of a system for regulating commission based on technical, transparent and procompetitive criteria through the pension funds regulatory agency.<sup>76</sup>

<sup>73</sup> Press Release COFECE-027-2020 available at: <https://bit.ly/2PaigKN>

<sup>74</sup> Press Release COFECE-046-2020 available at: <https://bit.ly/32wUvzE>

<sup>75</sup> Press Release COFECE-041-2020 available at: <https://bit.ly/3guD22M>

<sup>76</sup> The complete opinion is available, in Spanish, at: <https://bit.ly/3szEpzT>

### 5.1.3. Labeling of foods and beverages

#### *Opinion on the amendment to the Mexican Official Standard for the labeling of foods and beverages*

67. In January 2020, COFECE issued an opinion regarding the Preliminary Draft amending the Mexican Official Standard NOM-051-SCFI/SSA1-2010, general specifications for the labeling of pre-packaged foods and non-alcoholic beverages – Commercial and health information, which established certain specifications for the frontal labeling of foods and beverages to warn consumers of contents with high calories, added sugars, sodium, fats and saturated fats.<sup>77</sup> The Commission recommended that the labeling regulation should provide complete nutritional information for consumers but without eliminating opportunities for competition through differentiation in labeling and marketing strategies<sup>78</sup>

### 5.1.4. Public Procurement

#### *Proposal for a new Procurement Law*

68. In July 2020, COFECE along with several civil society organizations and public institutions specialized in diverse aspects of public procurement, presented a proposal for a new General Law on Acquisitions, Leases and Services of the Public Sector to strengthen, plan, promote and increase economic competition and incorporate mechanisms to curb corruption in public procurement. In terms of competition, the proposal aimed at limiting the use of direct awarding in tenders, to sanction companies that collude with debarment for up to five years, and that all tenders should preferably be opened to international participation.

69. This proposal was submitted for discussion to the Transparency and Anti-Corruption Commission of the Chamber of Deputies in the context of the Open Parliament Initiative.<sup>79</sup> To this day, the reform is still pending discussion and resolution as the Transparency and Anti-Corruption Commission has only issued a preliminary opinion on the matter.<sup>80</sup>

## 5.2. New reports and studies on competition policy issues

70. Through the publication of reports and market studies, the Commission contributes to the discussion, awareness and adoption of competition principles by different audiences. In 2020, it published the following documents:

### *5.2.1. Proposals on economic competition to contribute to the recovery of the Mexican economy*

71. In October, the Commission became the first public institution in Mexico to present concrete turnkey proposals to contribute to economic recovery after the COVID-19 crisis. In its document *Proposals on Economic Competition Matters to Support the Recovery of the Mexican Economy*, which draws from previous advocacy efforts like opinions, market studies and other public policy proposal linked to competition, the Commission promotes a “build-back-better” approach with the main premise that recovery will be more

<sup>77</sup> Press Release COFECE-002-2020 available at: <https://bit.ly/3vbPQQ2>

<sup>78</sup> The complete opinion is available, in Spanish, at: <https://bit.ly/2QOKrPF>

<sup>79</sup> See Joint Press Release available at: <https://bit.ly/3dBcICu>

<sup>80</sup> The preliminary opinion is available, in Spanish, at: <https://bit.ly/3au9Kha>



sustainable when based on the participation of a greater number of economic agents, whose ability to compete and remain in the market is provided by their capacity, and not from unduly advantages granted by political decisions, measures or policies from public authorities.<sup>81</sup>

72. The proposals are related to high-impact markets such as health, transport (freight and passenger), energy, finance and public procurement. It is worth mentioning that some of COFECE's recommendations have already been implemented; for example, in the generic drugs market the industrial property authority and the health authority linked their systems to increase access and transparency for drug patent expiration information, which will decrease the litigious activity that hinders the entry of generics. Also, the industrial property law was amended in order for the health authorization process to begin before the expiration of the patent (Roche-Bolar provision).

### ***5.2.2. Study on competition in the modern channel of retail commerce of food and beverages***

73. In November 2020, the Commission published the *Study on competition in the modern channel of retail commerce of food and beverages* which found a highly concentrated market (one out of ten large-surface stores does not face competitors in the local market) and the existence of local regulatory obstacles that hinder the entrance of new competitors and the expansion of regional chains.<sup>82</sup> The high concentration in the market also implies that some chains have purchasing power with respect to their small suppliers, which could derive in abusive commercial practices even when there is code of conduct to avoid them. However, the Mexican code of conduct is not widely known by economic agents, especially those of medium or small size, and is not enforced at all. Consequently, the Commission proposed to local governments the elimination of regulations that limit the entrance, to expedite authorization through "one-stop-shops" and to the federal government, through its Ministry of Economy, to enhance (by including clauses in line with the best international practices) and promote and enforce the code of conduct among small suppliers.<sup>83</sup>

## **6. Resources of competition authorities**

### **6.1. Annual Budget**

74. For 2020, the annual budget was MXN \$581,230,908 (equivalent to 28 million 561 thousand 715 hundred USD) which represented a 0.3% decrease in comparison to the budget for 2019.

### **6.2. Human Resources**

75. By December 31, 2020, the Commission employed 434 people, of which:<sup>84</sup>

- 270 are non-administrative staff working in competition enforcement, of which:

<sup>81</sup> The complete document is available at: <https://bit.ly/3at4quv>

<sup>82</sup> Press Release COFECE-040-2020 available at: <https://bit.ly/3eoiiHh>

<sup>83</sup> The complete study is available, in Spanish, at: <https://bit.ly/3gB6rs6>

<sup>84</sup> It is important to point out that some non-administrative staff works in more than one area of competition enforcement: therefore, numbers add up more than the number of total staff.



- 136 work in the Investigative Authority (cartels, abuse of dominance, market intelligence and forensics)
- 22 work on Litigation Affairs
- 34 work in the Board of Commissioners
- 75 work in the Technical Secretariat (including merger review and market studies)
- 3 work in the Digital Markets Unit

76. In terms of professions, of the total of non-administrative staff (including staff working in competition enforcement and advocacy):

- 131 are lawyers.
- 103 are economists.
- 71 come from other professions (engineers, political scientist, foreign affairs, among others).

77. In 2020, the Commission continued implementing several measures to reduce staff turnover and ensure greater stability in its personnel:

- The *Policy for the Prevention of Psychosocial Risks* with principles and commitments to prevent psychosocial risks, workplace violence and foster a positive work environment that ensures dignified work;<sup>85</sup>
- The *General Provisions and Policies for the Human Resources of the Federal Economic Competition Commission* which include aspects such as increasing paternity leave from 15 to 20 consecutive working days and allowing the staff to work remotely in accordance with their functions and in compliance with the guidelines on this matter issued by in early 2021;<sup>86</sup>
- To ensure a safe return to the Commission's premises under COVID-19, a *Protocol for a Safe and Responsible Return* was developed and implemented.<sup>87</sup>

78. As a result of these and other actions to promote a cutting-edge organizational model, this year the Commission obtained the *Great Place to Work* global certification and became the first public institution in the Americas to be promoted to the *Move* intermediate level of the EDGE Certification, a world leader in gender equality assessment.<sup>88</sup> Furthermore, the Commission also obtained the recertification and the Gold level in the Mexican Standard NMX-R-SCFI-2015 in Labor Equality and Non-Discrimination.<sup>89</sup>

### 6.3. Period covered by the above information.

79. The information provided covers from January 1st to December 31st, 2020.

---

<sup>85</sup> Available, in Spanish, at: <https://bit.ly/3vfuwJr>

<sup>86</sup> Available, in Spanish, at: <https://bit.ly/3em0BIv>

<sup>87</sup> The public version of the Plan is available, in Spanish, at: <https://bit.ly/3v6ACvu>

<sup>88</sup> Press Release COFECE-003-2020 available at: <https://bit.ly/3tDWhLi>

<sup>89</sup> All the information regarding the Commission's path towards labor equality is available, in Spanish, at: <https://bit.ly/32BqY7W>

## Federal Telecommunications Institute (IFT)

### Executive Summary

80. In 2020, the IFT implemented several measures to face the COVID-19 pandemic using its competition and regulatory powers to ensure the continuity of communications, to adapt competition procedures in line with a teleworking strategy and to prevent anti-competitive practices, especially cartels that could harm markets and competition in the provision of telecommunications and broadcasting (T&B) services, given their essential role to support the digitalization of economic activities, including health and education. In this context, to cope with this situation, the IFT issued emergency measures to enable merger control and guidance on competition proceedings through electronic means.

81. The IFT conducted six investigations in the T&B sectors. One of them on the possible existence of barriers to entry; four of them on unilateral conducts; and one of them on an unlawful merger.

82. The IFT approved without conditions the acquisition of 50 MHz of 3.5 GHz national spectrum property of Axtel (a fixed services provider) by Telcel (the main mobile services provider). The economic competition assessment took into consideration dynamic aspects of the acquired asset since it is going to be used in a near future for the provision of 5G mobile services.

83. In addition, the IFT issued a Substantial Market Power (SMP) declaration to *Grupo Televisa* (GTV) in 35 local markets of pay TV, following the acquisition of Axtel, a provider of voice, internet and pay TV services through fiber optic. The IFT found that GTV holds the higher market share in all of them and their HHI ranged between 5,223 and 9,323 points after the operation, qualifying them as very concentrated markets. After the declaration, the IFT must follow another proceeding for imposing specific regulation in order to control the exercise of the SMP by GTV.

84. The IFT published 12 studies, out of which five were market studies in Mexico on Restricted Television and Audio Services; Open TV Services; Radio Broadcasting Services; Public Procurement of Telecommunications Services; and Services and Business Models in the Digital Ecosystem.

85. In international activities, the IFT took part in the presentation in Mexico City of the *OECD Peer Review of Competition Law and Policy: Mexico 2020*. Regarding technical cooperation on economic competition, the IFT signed a Memorandum of Understanding with the Superintendency of Telecommunications (SUTEL) of Costa Rica.

86. In competition advocacy, the IFT collaborated with universities, legal associations, international experts and other stakeholders to promote capacity-building actions and to host on-line discussion forums on competition.

87. Finally, the IFT's annual budget amounted to \$98.5 million USD, with a staff of 1236 employees, out of which 115 were dedicated to competition enforcement and 336 to support activities, for a total of 451.

## 7. Changes to Competition Laws and Policies, Proposed or Adopted

### 7.1. Summary of New Legal Provisions of Competition Law and Related Legislation

88. No changes to the Federal Economic Competition Law (LFCE) or regulations were proposed or adopted in 2020.

### 7.2. Other Relevant Measures, Including New Guidelines

#### 7.2.1. Emergency measures adopted in response to the Covid-19 pandemic

89. Facing the Covid-19 pandemic, the IFT used its competition and regulatory powers to collaborate with and to supervise the T&B industries, to ensure the continuity of mobile and fixed communications, and to adapt its procedures in order to support the digitalization of services and other economic activities, including health and education.

90. By the end of March 2020, the IFT suspended all ongoing economic competition proceedings because the measures adopted by the government to stop the spread of Covid-19 prevented the staff from working at the Institute headquarters.<sup>90</sup> Consequently, and with certain exceptions, deadlines and terms applicable to the procedures, actions and investigations carried out by and before the IFT stopped running. This suspension did not affect internal competition activities or proceedings that were ready to be resolved (mainly the SMP investigation described below).

91. By May 2020, the IFT's Board issued the Emergency Guidelines to Substantiate the General Orientation Procedure through Electronic Means.<sup>91</sup> The LFCE provides that anyone can present to the IFT a request for general guidance regarding the application of the competition framework. The request shall be submitted in writing addressed to the Investigative Authority or to the Economic Competition Unit, according to their attributions. These guidelines enabled the presentation of the request via e-mail.<sup>92</sup>

92. In addition, the IFT issued emergency measures to enable the remote treatment of the merger authorization proceeding.<sup>93</sup> The measures asked the interested agents to accept the remote format, to communicate and send to the authority all required information and documents via e-mail, and to submit their paper backup once the Covid-19 restrictions were

---

<sup>90</sup> Agreement by which the IFT's Board declares the suspension of activities due to force majeure, following the contingency measures of the COVID-19 coronavirus pandemic and determines the essential functions of the Institute, whose continuity must be guaranteed to contribute, in its area of competence, to the mitigation and control of the health risks implied by the disease caused by the SARS-CoV2 virus (COVID-19). Available in Spanish at: [https://www.dof.gob.mx/nota\\_detalle.php?codigo=5590787&fecha=31/03/2020](https://www.dof.gob.mx/nota_detalle.php?codigo=5590787&fecha=31/03/2020)

<sup>91</sup> Agreement by which the IFT's Board issues the emergency guidelines to substantiate the general orientation procedure through electronic means. Available in Spanish at: [https://www.dof.gob.mx/nota\\_detalle.php?codigo=5593075&fecha=08/05/2020](https://www.dof.gob.mx/nota_detalle.php?codigo=5593075&fecha=08/05/2020)

<sup>92</sup> Requests should be sent to the official emails: [oficialiaai@ift.org.mx](mailto:oficialiaai@ift.org.mx) for the Investigative Authority or to [oficialiacompetencia@ift.org.mx](mailto:oficialiacompetencia@ift.org.mx) for the Economic Competition Unit, as appropriate.

<sup>93</sup> Agreement by which the IFT's Board declares the suspension of activities due to force majeure, following the contingency measures of the COVID-19 coronavirus pandemic and determines the essential functions of the Institute to guarantee the continuity and quality in the provision of T&B services. Available in Spanish at: [https://dof.gob.mx/nota\\_detalle.php?codigo=5593076&fecha=08/05/2020#:~:text=Primero.,pandemia%20del%20Coronavirus%20COVID%2D19](https://dof.gob.mx/nota_detalle.php?codigo=5593076&fecha=08/05/2020#:~:text=Primero.,pandemia%20del%20Coronavirus%20COVID%2D19)

lifted. Four merger authorization proceedings were concluded in 2020, using these measures. The suspension continued to affect all other enforcement activities throughout the year.

93. Notwithstanding the Covid-19 pandemic, by October 2020, due to the importance of fulfilling the IFT's purpose as a competition authority in the T&B sectors, guaranteeing free concurrence and competition, preventing, investigating and combating monopolies, monopolistic practices, unlawful concentrations and other restrictions to the efficient functioning of the markets in the aforementioned sectors, the IFT's Board deemed pertinent to resume the calculation of deadlines and terms in the procedures, actions and investigations carried out by the Investigative Authority.<sup>94</sup>

94. Furthermore, the IFT's Board established the use of the Advanced Electronic Signature (FIEL, by its acronym in Spanish) for the acts issued by some public servants.<sup>95</sup> The FIEL is a set of data that is attached to an electronic message, with the purpose of identifying the sender as the legitimate author, as if it were an autograph signature. Due to its characteristics, it provides security to electronic transactions, since its design is based on international standards for public key infrastructure (PKI). On this regard, the Board established the use of the FIEL for acts including investigations regarding anticompetitive conducts or market conditions.

### 7.3. Government Proposals for New Legislation

95. No government proposals for new economic competition legislation were issued during 2020.

## 8. Enforcement of Competition Laws and Policies

### 8.1. Action against Anticompetitive Practices, Including Agreements and Abuses of Dominant Positions

#### 8.1.1. Summary of Activities

##### *Competition Authorities*

96. In 2020, the IFT processed six investigations in the T&B sectors. Two of them were initiated in 2020; two in 2019; and the other two in 2018. One of them on the possible existence of barriers to entry; four of them on unilateral conducts; and one of them on an unlawful merger. No action against anticompetitive practices was concluded during 2020.

---

<sup>94</sup> Amended Agreement by which the IFT's Board, due to force majeure, determines the cases in which deadlines and terms are suspended, according to the Law, based on the provisions of article 28, second and third paragraph of the Federal Administrative Procedure Law; article 115, second paragraph and article 121 of the LFCE, following the contingency measures of the COVID-19 coronavirus pandemic, and its exceptions, to preserve the essential functions of the Institute and to guarantee the continuity and quality in the provision of T&B services. Available in Spanish at: [https://www.dof.gob.mx/nota\\_detalle.php?codigo=5603056&fecha=19/10/2020](https://www.dof.gob.mx/nota_detalle.php?codigo=5603056&fecha=19/10/2020)

<sup>95</sup> Agreement by which the IFT's Board establishes the use of the Advanced Electronic Signature for the acts of the indicated public servants. Available in Spanish at: [http://dof.gob.mx/nota\\_detalle.php?codigo=5604740&fecha=11/11/2020](http://dof.gob.mx/nota_detalle.php?codigo=5604740&fecha=11/11/2020)

### 8.1.2. Description of Significant Cases, Including those with International Implications

#### Started Investigations

97. An investigation initiated by a complaint for probable commission of a relative monopolistic practice in the market of the wholesale services of leasing of local dedicated links and between localities, in the national territory.<sup>96</sup>

98. An investigation initiated *ex officio* in the markets of online search services, social networks, mobile operating systems, cloud computing services and related services to determine the possible existence of barriers to competition and free market access or essential facilities that can generate anti-competitive effects.<sup>97</sup>

#### Investigations in Progress

99. In 2018, the IFT undertook an investigation for probable commission of a relative monopolistic practice in the markets of production, distribution and commercialization of contents transmitted through a platform with an Internet connection, distribution and commercialization of electronic devices for the reproduction of contents through Internet, and television and audio restricted services, in the national territory.<sup>98</sup>

100. In 2018, the IFT initiated an investigation by a complaint for probable unlawful mergers that could have the object or the effect of hindering, diminishing, damaging or preventing free concurrence or economic competition in the markets for the provision of restricted television and audio services, fixed and mobile telephone, and access to fixed and mobile broadband Internet, in the national territory.<sup>99</sup>

101. In 2019, the IFT initiated an investigation by a complaint for probable commission of a relative monopolistic practice in the market of the provision of wholesale services of disaggregation of the local network of the preponderant economic agent in the telecommunications sector, in the national territory.<sup>100</sup>

102. In 2019, the IFT initiated an investigation by a complaint for probable commission of a relative monopolistic practice in the retail markets of mobile telecommunications services and of commercialization of mobile terminal equipment, in the national territory.<sup>101</sup>

---

<sup>96</sup> Initiation decision available in Spanish. File AI/DE-001-2020: [http://dof.gob.mx/nota\\_detalle.php?codigo=5589097&fecha=11/03/2020](http://dof.gob.mx/nota_detalle.php?codigo=5589097&fecha=11/03/2020)

<sup>97</sup> Initiation decision available in Spanish. File AI/DC-001-2020: [http://dof.gob.mx/nota\\_detalle.php?codigo=5603327&fecha=22/10/2020](http://dof.gob.mx/nota_detalle.php?codigo=5603327&fecha=22/10/2020)

<sup>98</sup> Initiation decision available in Spanish, file AI/DE-003-2018 at: [http://dof.gob.mx/nota\\_detalle.%20php?codigo=5538189&fecha=18/09/2018](http://dof.gob.mx/nota_detalle.%20php?codigo=5538189&fecha=18/09/2018)

<sup>99</sup> Initiation decision in Spanish, file AI/DE-001-2018 at: [http://www.dof.gob.mx/nota\\_detalle.php?codigo=5524245&fecha=28/05/2018](http://www.dof.gob.mx/nota_detalle.php?codigo=5524245&fecha=28/05/2018)

<sup>100</sup> Initiation decision available in Spanish, file AI/DE-002-2019: [https://www.dof.gob.mx/nota\\_detalle.php?codigo=5559511&fecha=06/05/2019](https://www.dof.gob.mx/nota_detalle.php?codigo=5559511&fecha=06/05/2019)

<sup>101</sup> Initiation decision available in Spanish, file AI/DE-003-2019: [https://www.dof.gob.mx/nota\\_detalle.php?codigo=5578364&fecha=11/11/2019](https://www.dof.gob.mx/nota_detalle.php?codigo=5578364&fecha=11/11/2019)

*Investigations that Concluded with a Preliminary or a Probable Responsibility Statement, as Applicable*

103. In 2017, the IFT undertook an investigation of alleged unilateral conducts of predatory pricing, cross-subsidization, and raising rival costs in the fixed and mobile services, fixed and mobile Internet access services, and production, distribution and commercialization of audio-visual contents transmitted through Internet in the national territory. As a result, the Investigative Authority issued the statement of probable responsibility due to the existence of objective elements that suggest the probable existence of relative monopolistic practices (abuse of dominance).<sup>102</sup>

104. An investigation initiated *ex officio* in order to determine the probable existence of economic agents with substantial power in the telecommunications network market(s) that provide voice, data or video services at the national, state, regional and/or local level. As a result of the investigation, it was determined that there are elements to determine the existence of substantial market power by the economic interest group called GTV in 35 relevant markets of the pay TV service. Consequently, the IFT's Board resolved to perform all the necessary acts to follow the procedure until its conclusion.<sup>103</sup>

105. An investigation initiated *ex officio* in order to determine the probable existence of economic agents with substantial power in the telecommunications network market(s) that provide voice, data or video services at the national, state, regional and/or local level. As a result of the investigation, it was determined that there are elements to determine the existence of substantial market power by Megacable in 11 local relevant markets of the pay TV service. Consequently, the IFT's Board resolved to perform all the necessary acts to follow the procedure until its conclusion.<sup>104</sup>

*Closed Investigations*

106. All the investigations are in progress.

## 8.2. Mergers and Acquisitions

### *8.2.1. Statistics on Number, Size and Type of Mergers Notified and/or Controlled under Competition Laws*

107. The IFT finalized four proceedings related to mergers and acquisitions (M&A). A brief description of three of the reviewed transactions is provided in the following table.<sup>105</sup>

---

<sup>102</sup> IFT's Board Agreement, in Spanish, file AI/DE-002-2017 at: <http://www.ift.org.mx/sites/default/files/conocenos/pleno/sesiones/acuerdoliga/vp021220563.pdf>

<sup>103</sup> IFT's Board Agreement, in Spanish, file AI/DC-002-2019 at: <http://www.ift.org.mx/sites/default/files/conocenos/pleno/sesiones/acuerdoliga/pift110919453acc.pdf>

<sup>104</sup> IFT's Board Agreement, in Spanish, file AI/DC-003-2019 at: <http://www.ift.org.mx/sites/default/files/conocenos/pleno/sesiones/acuerdoliga/pift05022029acc.pdf#P/IFT/050220/29>

<sup>105</sup> Because of its reserved nature, the information of the fourth transaction cannot be disclosed at the date of submission of this Report; therefore, it is not included in the subsequent figures or descriptions.



The total value of the analyzed transactions was \$3.97 billion USD and the average value was of 1.32 billion USD.<sup>106</sup>

**Table 8. M&A Analyzed by IFT in 2**

<b>Ex Ante Procedure</b>			
<b>M/A</b>	<b>Main Affected Market</b>	<b>Decision</b>	<b>Dimension</b>
Acquisition of 50 MHz of 3.5 GHz spectrum at a national level property of Axtel, S.A.B de C.V., by Radiomóvil Dipsa, S.A. de C.V. (America Móvil)	Mobile spectrum	Authorized	National
Transfer of mobile telecommunications sites property of Opsimex, S.A. de C.V. (America Móvil), into an irrevocable trust for subsequent securitization	Mobile telecommunications sites	Authorized	National
Transfer of mobile telecommunications sites property of Opsimex, S.A. de C.V. (America Móvil), into an irrevocable trust for subsequent securitization	Mobile telecommunications sites	Authorized	National

Source: IFT

### 8.2.2. Summary of significant cases

#### *Acquisition of 50 MHz of 3.5 GHz spectrum at a national level property of Axtel, S.A.B de C.V., by Radiomóvil Dipsa, S.A. de C.V. (Telcel)*

108. On June 2020, the IFT authorized the transfer of nine concessions, one for each “celular/PCS” region in which the country is divided, that allow the use of the frequencies in the 3500-3550 MHz range, from Axtel (a telecommunications fixed services provider) to Telcel (the main mobile services provider in the country). This spectrum currently has an authorized use for fixed wireless services, but is expected to be able to carry mobile 5G services in the future, so the competition assessment took this dynamic aspect of the asset value into account. The relevant market, with a prospective view of three to five years, was considered to include the 600 MHz, 700 MHz, 800 MHz, 850 MHz, L Band, 1.9 GHz, AWS, 2.5 GHz, 3.3 GHz and 3.5 GHz spectrum bands, on which Telcel would accumulate a 26.41% share with this operation, and approximately 38% of the total band width would remain available for future assignment. Because of this prospective market structure, the operation was considered not to pose risks to competition and it was authorized without conditions.

### 8.3. Actions taken by the IFT facing the COVID-19 pandemic

109. Notwithstanding the context of the COVID-19 pandemic, in 2020, the main functions in the fundamental sectors of T&B continued at all times.

110. The IFT implemented pertinent measures to safeguard the health of its human capital by establishing that essential functions would have to continue and by adopting the teleworking (home-office) modality.

111. Derived from this measure, the IFT enabled 84% of the total of its procedures using available electronic means of communication, including the abovementioned merger control and general orientations on economic competition issues.

<sup>106</sup> Amounts shown at the exchange rate of \$1 USD = \$19.8940 MXN. Source: <https://xe.com/currencytables/?from=USD&date=2020-12-31#table-section>

112. Furthermore, the IFT developed collaboration mechanisms with telecommunications service providers aiming to support the population during the health emergency, prioritizing that these collaborations did not constitute any anti-competitive practices, especially cartels that could harm markets and competition. Contingency support packages by fixed service providers and emergency plans by mobile service providers were offered, under IFT's coordination.

113. Other regulatory measures related to facilitating access to multiprogramming in order to broadcast a channel with audio visual content that included the school sessions of the Ministry of Public Education were issued to support government efforts.

## 9. The Role of Competition Authorities in the Formulation and Implementation of Other Policies, e.g. Regulatory Reform, Trade and Industrial Policies

114. Following the Constitutional Reform in Telecommunications in 2013 (with its transitory regime), and subsequent enactment of the LFCE and the Federal Telecommunications and Broadcasting Law (LFTR) in 2014, which provide the IFT with a variety of mechanisms to safeguard competition in its specialized sectors, the IFT has endeavoured to integrate competition assessments into various regulatory proceedings, to the benefit of industry stakeholders and consumers. Regulatory processes are carried out more efficiently, imposing less regulatory burden on economics agents, and opening new ways of promoting competition in the T&B sectors. The IFT has the possibility to assess on a case-by-case basis the best action, tool or mechanism to tackle a specific competition problem.

115. Competition assessments carried out by the IFT can be grouped into four categories:

- public bids;
- grant, renewal and transfer of licenses;
- substantial market power (SMP) investigations; and
- opinions on draft and existing regulation.

116. The integrated economic competition assessments are carried out by the IFT's Economic Competition Unit (UCE), while the regulatory proceedings are carried out separately by other Units.

### 9.1. Public Bids

117. There are two kinds of competition assessments involved in public bids proceedings:

- the review of the rules of the public bid documents prior to their publication, in which the UCE seeks to ensure that no requisite unjustifiably restricts participation, or in which it seeks to propose the inclusion of spectrum caps or any other measure that would promote competition in the markets affected by the bid; and,
- the review of specific applicants, once the public bid proceeding started, to make sure the concentration of licenses that might arise from their participation does not decrease, harm, or hinder competition in the affected markets.

118. During 2020, the IFT's UCE reviewed the draft documents of two public bids.



### 9.1.1. Public bid for the allocation of 234 FM and 85 AM radio stations in several localities throughout the country.

119. On the second quarter of 2020, the terms and conditions of the public bid documents were reviewed, finding that the main measures to promote competition, such as limits to the accumulation of frequencies and the compulsory competition review of specific applicants, were in place. Some additional recommendations were made regarding restrictions to participation, the formula for calculating the price of the frequencies, and the reserve prices, among others.<sup>107</sup>

### 9.1.2. Public bid for the allocation of several blocks of mobile spectrum in 814-824/859-869 MHz (800 MHz), 1710-1780/2110-2180 MHz (AWS), 1850-1915/1930-1995 MHz (PCS) and 2500-2530/2620-2650 MHz (2.5 GHz) bands.<sup>108</sup>

120. On the fourth quarter of 2020, the terms and conditions of the public bid documents were reviewed, making some recommendations regarding 1) spectrum caps; 2) incentives to promote entry of new competitors; 3) incentives to strengthen current competitors; and 4) compulsory competition review of specific applicants.<sup>109</sup>

## 9.2. Grant, Renewal and Transfer of Licenses

121. During 2020, the UCE issued 279 opinions related to the grant, renewal and transfer of licenses to provide T&B services. The opinions perform an analysis similar to that of mergers, where an economic interest group is identified, a market is defined and some indicators of market power are assessed. The following table presents a summary of the opinions issued.

**Table 9. Number of Cases Related to Licenses Reviewed in 2020**

Opinions	Telecommunications	Broadcasting
Grant	54	105
Renewal	12	4
Transfer*	35	69
Totals	101	178
	279	

Note: \* Includes transfer of licenses and total or partial acquisition of the holding society.

Source: IFT

122. Opinions regarding granting of licenses (for social use) can recommend rejecting the application or prioritizing certain applicants, if demand surpasses offer in a certain locality, based on the number of frequencies (for commercial or social use) already held by the economic agents.

123. Opinions regarding transfers of licenses can recommend rejecting the transaction.

<sup>107</sup> The bid is still to be launched by the IFT.

<sup>108</sup> The quantity of spectrum to be bid is 16.8 MHz in the 800 MHz band, 10 MHz in the PCS band, 10 MHz in the AWS band, and 8.30 MHz in the 2.5 GHz band (the spectrum quantity is weighted by population since in some bands only some regional blocks are available).

<sup>109</sup> The bid is still to be launched by the IFT.

124. Opinions regarding renewal of licenses are generally approved, but if a high level of concentration is detected, the UCE proposes to the competent Unit of the IFT the inclusion of the corresponding localities in the Annual Program of Frequency Use, so that new licenses for this service are issued in the following year, where spectrum availability exists. The aim of the measure is to reduce barriers and to promote entry to concentrated local radio markets.

### 9.3. SMP Investigations

#### *9.3.1. Grupo Televisa was declared with substantial market power in 35 local pay TV markets*

125. This declaratory proceeding was started by the IFT after the acquisition of Axtel, S.A.B. de C.V., a fixed services provider through fiber optic, by *Grupo Televisa* (GTV) on April 2019. The acquired business included access networks in 35 local markets in some of the main cities of the country, including Mexico City and Monterrey. This acquisition did not undergo an *ex ante* merger authorization proceeding under the LFCE, because the parties resorted to the exemption regime established in Transitory Article Ninth of the LFTR;<sup>110</sup> therefore, the SMP investigation has to be conducted *ex post*, according to this exemption regime.

126. On November 2020, the IFT determined that GTV has SMP in the 35 examined pay TV markets, finding that GTV holds the higher market share in all of them and their HHI ranged between 5,223 and 9,323 points after the operation, qualifying them as very concentrated markets. This fact, along with the existence of high barriers to entry, the stability of the market shares over time, the increasing pricing indexes, and the high profitability of the principal provider, led the Institute to declare the existence of SMP. After the declaration, the IFT must follow another proceeding for imposing specific regulation in order to control the exercise of the SMP by GTV.

### 1.2. Opinions on Draft or Existing Regulation

127. As part of the second biennial review of preponderance regulation<sup>111</sup>, during the fourth quarter of 2020, the UCE issued one competition opinion regarding the project of elimination, modification or addition on the regulation imposed to the telecommunications preponderant economic agent (*America Móvil*).

128. Also, the UCE issued five competition opinions regarding requests by independent broadcasters to stop being considered as part of the broadcasting preponderant economic agent (GTV). These opinions assess if the independent broadcasters ceased to depend on GTV in a significant degree, so that they can act as independent competitors in their respective markets. All opinions granted the broadcasters' requests.

---

<sup>110</sup> See paragraphs 72-74 of the 2014 Annual Report on Competition Developments of Mexico for an explanation of this provision of the LFTR. The review of a Transitory Article Ninth merger notice has the purpose of verifying that the merger meets the criteria set by the LFTR to be exempt from the *ex ante* authorization, and that it does not follow the *ex ante* LFCE criteria or proceedings.

<sup>111</sup> The 2013 Constitutional reform that created the IFT also created the legal figure of "preponderant economic agent" that allowed the IFT to impose pro-competitive *ex ante* regulation to these big agents, and has become the main regulatory tool of the IFT to promote competition.

## 10. Resources of Competition Authorities

### 10.1. Resources Overall (Current Numbers and Change over Previous Year)

#### 10.1.1. Annual Budget (in MXN and USD)

**Table 10. . IFT's Annual Competition Budget**

Broken down by Administrative Units 2020

Administrative Unit	Amount*	Percentage	Change over 2019 <sup>12</sup>
Total IFT Budget	\$1,960,015,000MXN \$98,522,783USD	100%	-9.00%
Investigative Authority (AI)	\$66,695,000 MXN \$3,352,514 USD	3.25%	-4.70%
Economic Competition Unit (UCE)	\$57,066,000 MXN \$2,868,499 USD	2.83%	-6.27%
Competition Activities in Other Units	\$587,477,777 MXN \$30,506,599 USD	31.3%	-9.23%

Note: \* Amounts shown at the exchange rate of \$1 USD = \$19.8940 MXN. Source: <https://xe.com/currencytables/?from=USD&date=2020-12-31#table-section>  
Source: IFT

#### 10.1.2. Number of Employees Person-Years (and Change over 2019)

**Table 11. Number of IFT Employees in 2020**

Year	Employees
2020	1236
Change over 2019	+0.24%

Source: IFT

**Table 12. Number of IFT Employees by Administrative Unit**

Broken down by Profession in 2020

Administrative Unit	Economist	Lawyer	Other Professional	All Staff Combined
AI	28	31	5	64
UCE	20	23	8	51
All Staff Combined	48	54	13	115
Change over 2019	-2.04%	+5.88%	-13.33%	0%

Source: IFT

### 10.2. Human Resources (Person-Years) Applied to Competition Practice

**Table 13. Number of IFT Employees Applied to Competition Practice in 2020**

Practice	Employees
Enforcement against anticompetitive practices*	115

Support	336
Total**	451

Note: \* Staff of the AI and the UCE.

\*\* This includes the staff of AI, UCE and 30% of the staff of the IFT supporting with competition analyzes in ex ante regulation.

Source: IFT

### 10.3. Period Covered by the Above Information:

129. January 1, 2020 to December 31, 2020.

## 11. Summaries of or References to New Reports and Studies on Competition Policy Issues

### 11.1. OECD Peer Review of Competition Law and Policy: Mexico 2020<sup>113</sup>

130. On February 2020, the OECD published *Mexico's Peer Review of Competition Law and Policy 2020*, which assessed the development of Mexico's competition regime, since 2013. This review found that Mexico observes internationally recognized practices and that it has strong competition agencies with robust investigative powers. It issued recommendations to preserve the autonomy of both Mexican competition authorities, to strengthen its enforcement actions, and to eliminate the merger control exception granted to transactions by non-preponderant agents in the T&B sectors.

### 11.2. Studies by IFT

#### 11.2.1. Diagnostic Study of Open TV Services in Mexico<sup>114</sup>

131. This study describes the recent evolution (2014-2019) of economic competition conditions in the provision of open-air TV services throughout the country, including the programming channels available to the audience, participating economic groups, and levels of regional market concentration.

#### 11.2.2. Diagnostic Study of Radio Broadcasting Services in Mexico<sup>115</sup>

132. This study describes the recent evolution (2014-2019) of the economic conditions in the provision of radio broadcasting services throughout the country and analyzes the impact of radio spectrum policy in reducing barriers to entry and to expansion, participating economic groups, types of contents offered, and levels of regional market concentration.

<sup>113</sup> Available in English and Spanish at: <https://www.oecd.org/daf/competition/oecd-peer-reviews-of-competition-law-and-policy-mexico-2020.htm>

<sup>114</sup> Available in Spanish at: <http://www.ift.org.mx/sites/default/files/contenidogeneral/competencia-economica/estudiodediagnosticodelserviciodetelevisionradiodifundida-completo.pdf>

<sup>115</sup> Available in Spanish at: <http://www.ift.org.mx/sites/default/files/contenidogeneral/competencia-economica/estudiodediagnosticodelservicioderadiodifusionsonora-completo.pdf>

### ***11.2.3. Study on Public Procurement of Telecommunications Services<sup>116</sup>***

133. This study analyzes how the public sector in Mexico contracted the telecommunications services it needed in the period 2010-2018 and gives some advice about how the contracting agents can improve the economic competition features of the procurement proceedings they launch in the future, issuing recommendations to foster competition, transparency and efficiency.

### ***11.2.4. Study on Services and Business Models in the Digital Ecosystem<sup>117</sup>***

134. This study describes the functioning, value chain, business models and economic impact of the main technologies and services in the current digital ecosystem: big data, artificial intelligence, blockchain and OTT services, and their close relation to telecommunications networks and services. It also analyzes the risks and opportunities these technologies and services pose for competition and regulation in the T&B sectors.

### ***11.2.5. Diagnostic Study of Restricted Television and Audio Services in Mexico<sup>118</sup>***

135. This study describes the recent evolution (2013-2019) and the current status of these services, including their relevance; characteristics of supply, availability of inputs for providers (like programming), and demand, features of the offered packages, consumption patterns, relevant mergers and acquisitions between providers; market concentration at the national and municipal level, various aspects of access to infrastructure inputs and audiovisual content, and a summary of the most relevant transactions that have been carried out between stakeholders.

### ***11.2.6. Big Data and Competition Policy<sup>119</sup>***

136. This study reviews the impact of big data in regulated markets and the use of data mining as a tool for competition analysis and policy design.

### ***11.2.7. Regulatory Policy Options Derived from the Growth of Audiovisual Content Services Offered over the Internet<sup>120</sup>***

137. This study focuses on the evolution of pay TV and OTT services and it conducts a comparative analysis of their legal frameworks against traditional audio and video services.

---

<sup>116</sup> Available in Spanish at: <http://www.ift.org.mx/sites/default/files/contenidogeneral/competencia-economica/analisisdecompraspublicasensectordetelecomunicaciones-completo.pdf>

<sup>117</sup> Available in Spanish at: <http://www.ift.org.mx/sites/default/files/contenidogeneral/competencia-economica/serviciosymodelosenegocioenelecosistemadigital.pdf>

<sup>118</sup> Available in Spanish at: <http://www.ift.org.mx/sites/default/files/contenidogeneral/competencia-economica/estudiodediagnosticodelserviciodetelevisionyaudiostringidos.pdf>

<sup>119</sup> Available in Spanish at: [http://centrodeestudios.ift.org.mx/documentos/publicaciones/2020/Sem\\_Megadatos\\_politica\\_competencia\\_economica\\_Jesus\\_Zurita\\_Gonzalez.pdf](http://centrodeestudios.ift.org.mx/documentos/publicaciones/2020/Sem_Megadatos_politica_competencia_economica_Jesus_Zurita_Gonzalez.pdf)

<sup>120</sup> Available in Spanish at: [http://centrodeestudios.ift.org.mx/documentos/publicaciones/2020/sem\\_Estudio\\_OTT\\_TVR\\_JM.pdf](http://centrodeestudios.ift.org.mx/documentos/publicaciones/2020/sem_Estudio_OTT_TVR_JM.pdf)

**11.2.8. Study of the Radio Market in Mexico<sup>121</sup>**

138. This study describes the market of commercial sound broadcasting, local markets asymmetries, and the relation of concentration indexes with advertising prices, aiming to foster competition conditions and to improve broadcasting services.

**11.2.9. Quantitative Tools to Analyze Anticompetitive Conducts<sup>122</sup>**

139. This study reviews the criteria of analysis, the theoretical foundations of price fixing conducts, cases on predatory prices, margin squeeze, rebates and cross-subsidies, in order to collect best international practices and provide guidance.

**11.2.10. Analysis of the Impact of Information and Communication Technologies (ICT) on the Social Development of Mexico<sup>123</sup>**

140. ICT and telecommunications services have gained relevance in Mexico population's daily life, not only as entertainment, but also as instruments to enhance social development. In this context, this research uses econometric regressions to estimate the impact of ICT and telecommunications services on Mexico's social development. For this analysis, four fundamental components of social development are identified and examined: level of health, employment, education and economic development.

**11.2.11. Market Analysis of Mobile Virtual Operators (MVNOs) 2020<sup>124</sup>**

141. This document highlights that the subscriber base in Mexico increased 14.1% at the end of 2020 compared to 2019, going from 1.77 to 2.02 million lines. It is estimated that, at the end of 2021, the lines served by MVNOs will grow to 2.52 million, which is equivalent to an increase of 501,266 mobile lines served by these operators in two years.

**11.2.12. Study on the Evolution of the Adoption and use of ICT in Mexico 2015-2019<sup>125</sup>**

142. This study presents an analysis of the evolution and availability of ICT in households and in the population of six years or more in Mexico, from 2015 to 2019.

---

<sup>121</sup> Available in Spanish at: [http://centrodeestudios.ift.org.mx/documentos/publicaciones/2020/EstudioRadioJM\\_F.pdf](http://centrodeestudios.ift.org.mx/documentos/publicaciones/2020/EstudioRadioJM_F.pdf)

<sup>122</sup> Available in Spanish at: [http://www.ift.org.mx/sites/default/files/contenidogeneral/autoridad-investigadora/estudioherramientascuantitativasfinalacccs\\_0.pdf](http://www.ift.org.mx/sites/default/files/contenidogeneral/autoridad-investigadora/estudioherramientascuantitativasfinalacccs_0.pdf)

<sup>123</sup> Available in Spanish at: <http://www.ift.org.mx/sites/default/files/contenidogeneral/estadisticas/analisisdelimpactodelastic.pdf>

<sup>124</sup> Available in Spanish at: <http://www.ift.org.mx/sites/default/files/contenidogeneral/estadisticas/omvs2020.pdf>

<sup>125</sup> Available in Spanish at: <http://www.ift.org.mx/sites/default/files/contenidogeneral/estadisticas/evoluciondelastic2015-2019.pdf>

### 11.3. Advocacy

#### *11.3.1. 6th Forum on Challenges of Competition in the Digital Environment*<sup>126</sup>

143. Due to the Covid-19 pandemic, the Forum was hosted virtually by the IFT on November 2020. This event yearly gathers national and international experts from competition authorities, academia and industry to foster the dialogue and analyze the T&B markets, especially the digital markets, in the context of the changing technological landscape and users' preferences, in order to strengthen competition as a way to promote sector development and users welfare.

#### *11.3.2. Instructions to Present Information on Matters of Economic Competition in the Assessment of Mergers*<sup>127</sup>

144. The IFT issued a document that lists the baseline information that agents have to provide, so that it can issue an opinion on competition regarding authorization requests of grants, renewals and transfers of licenses.

#### *11.3.3. Session of the Economic Competition Commission of the Mexican Bar Association*

145. The IFT presented the regulatory provisions of the LFCE for the T&B sectors, judicial criteria on competition issues, convergent regulatory and competition procedures and administrative simplification between the LFCE and the LFTR.

#### *11.3.4. Seminar on Trade Opportunities with North America and the Transpacific Region: USMCA and CPTPP*

146. The IFT shared its experience as competition authority in the T&B sectors in the context of the negotiation of international legal instruments at a Seminar organized by the Ministry of Economy for stakeholders.

#### *11.3.5. 4<sup>th</sup> Edition of the Economic Competition Diploma Course of the International Chamber of Commerce (ICC Mexico) and the Pan-American University (UP)*

147. The IFT lectured on market contestability, barriers to entry, market concentration and SMP, as part of the academic program of the Diploma course.

#### *11.3.6. 4th Edition of the Contest on Economic Competition for Students of Economy and Law*

148. The IFT collaborated with the COFECE, the legal firm Mijares, Angoitia, Cortés y Funes, and the Anahuac University, among others, in the fourth edition of the Contest. Due to the Covid-19 pandemic, the event was held virtually.

---

<sup>126</sup> Recordings available at:  
<https://www.youtube.com/watch?v=ykLqEpMkACk&feature=youtu.be>;  
<https://www.youtube.com/watch?v=PVVpTcZO5bc&feature=youtu.be>;  
<https://www.youtube.com/watch?v=LMTEMSHGmA4&feature=youtu.be> and

<sup>127</sup> Available in Spanish at: <http://www.ift.org.mx/sites/default/files/contenidogeneral/competencia-economica/1instructivoparaentregadeinformacionuce2020v4-161020vf.pdf>

## 11.4. International

### *11.4.1. Technical Opinions for International Legal Instruments*

149. The IFT issued technical opinions to the Ministry of Economy regarding several chapters, including Competition Policy, in the context of the negotiation process of the Free Trade Agreement between Mexico and Ecuador.

### *11.4.2. Memorandum of Understanding between IFT and the Superintendency of Telecommunications (SUTEL) of Costa Rica<sup>128</sup>*

150. On October 2020, the IFT signed a Memorandum of Understanding with the Superintendency of Telecommunications (SUTEL) of Costa Rica regarding technical cooperation in matters of economic competition.

### *11.4.3. Asia Pacific Economic Competition (APEC) Forum*

151. The IFT participated in the annual meeting of the Competition Policy and Law Group (CPLG) that was held virtually, due to the Covid-19 pandemic, to present its annual update on competition policy developments in Mexico 2020.

### *11.4.4. OECD Webinar on Merger Control in Times of Crisis*

152. The IFT shared its experiences and emergency measures implemented in merger control facing the Covid-19 pandemic in the virtual session on Competitive Assessment in Times of Uncertainty.

### *11.4.5. 20<sup>th</sup> Global Symposium of Regulators (GSR-20) of the International Telecommunications Union (ITU)*

153. The GSR-20 is organized yearly by the United Nations specialized agency for information and communication technologies, the ITU. The event provided a virtual space to discuss meaningful connectivity in the digital transformation. The IFT made an intervention at the session on Competition in the Digital Era: a Collaborative and Cooperative Approach.

### *11.4.6. Digital Enforcement Summit 2020 of the Competition Bureau Canada*

154. The IFT made an intervention in the virtual session on The Future of Investigations, which explored how competition agencies are adjusting to handle major cases and to integrate multidisciplinary teams suited for digital investigations.

### *11.4.7. International Seminar on the Role of Telecommunications Towards a digital ecosystem and economy of the Peruvian Private Investment in Telecommunications Supervising Organism (OSIPTEL)*

155. The IFT shared its experiences on the promotion of the digital ecosystems and economy in the virtual session on Regulatory and Competition Policy to Promote Digitalization of Consumers.

---

<sup>128</sup> Available in Spanish at: <http://www.ift.org.mx/comunicacion-y-medios/cgai/acuerdos-internacionales/memorando-de-entendimiento-sutel>



#### *11.4.8. OECD Competition Committee*

156. In 2020, the IFT drafted six contributions on the following subjects: Competition in Digital Advertising Markets; The Role of Competition Policy in Promoting Economic Recovery; Competition Economics of Digital Ecosystems; Abuse of Dominance in Digital Markets; Economic Analysis in Merger Investigations; and Using Market Studies to Tackle Emerging Competition Issues, for the roundtables of the OECD Competition Committee, its Working Party No. 2 on Competition and Regulation, and the OECD Global Forum on Competition 2020.<sup>129</sup>

---

<sup>129</sup> Available at: <https://www.oecd.org/competition/roundtables.htm>