

COFECE sanctions several companies and natural persons for colluding in the market for baby diapers, products for feminine sanitary protection and incontinence

- *The economic agents that produce and commercialize these products in the wholesale markets colluded to manipulate sale prices for supermarkets and wholesale stores instead of competing.*
- *The sanctioned practice affected supply conditions in the wholesale channel, to the detriment of the welfare of the final consumer and of products relevant for the health and hygiene of families.*
- *The imposed fines amount to over 313.4 million Mexican pesos.*

Mexico City, October 4, 2021.- The Board of Commissioners of the Federal Economic Competition Commission (COFECE or Commission) imposed fines for a total 313 million 473 thousand Mexican pesos to *Essity Higiene y Salud México (Essity México)*, *Kimberly Clark de México (KCM)* and *Productos Internacionales Mabe (Productos Internacionales)*, as well as to nine natural persons who acted on their behalf, for their responsibility in carrying out absolute monopolistic practices in the market for the sale of baby diapers, products for feminine sanitary protection and incontinence.

In case file IO-004-2017, whose investigation initiated in November 2017, it was proven that the companies, through the natural persons, periodically held meetings to exchange information and agree on price increases of products and/or the elimination of promotions, as well as to verify compliance with the agreement, monitor the established prices and claim deviations from what was agreed, for which they also maintained communications through emails. Likewise, various acts to maintain the secrecy of communications were detected and it was observed that the persons knew of the illegality of their actions.

The collusion to agree on prices for baby diapers and incontinence products was conducted from February 2008 to June 2014, and KCM, *Productos Internacionales* and *Essity México* participated. For the case of feminine sanitary protection products, the practice took place from September 2011 to June 2014 and KCM and *Essity México* participated.

The Board of Commissioners of COFECE estimated that the sanctioned conducts caused a harm in the involved markets of approximately one thousand 567 million 36 thousand 589 Mexican pesos. Therefore, the maximum fines were imposed in accordance with the applicable competition law¹. The conduct is serious considering it was prolonged and affected supply conditions for very important products for the health and hygiene of Mexican families.

¹ Federal Economic Competition Law published in the Federal Official Gazette of 1992, reformed in 2006.



Once the resolution has been notified to the parties, the sanctioned economic agents and persons have the right to appear before the Federal Judicial Power so the legality of the COFECE's actions is reviewed.

[What is an absolute monopolistic practice? \(in Spanish\)](#)

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

