

Cofece investigates possible relative monopolistic practices in the market of production, distribution and commercialization of household insecticides in national territory

- *This inquiry should not be understood as a prejudgment, but as an action by the authority to verify compliance with the Federal Economic Competition Law.*
- *Household insecticides are substances used to control or kill disease-carrying insects.*

Mexico City, March 23, 2022.- The Investigative Authority of the Federal Economic Competition Commission (Cofece or Commission) published today in the Federal Official Gazette and on its website, the notice of initiation of an investigation by complaint for the possible conduction of relative monopolistic practices in the market of production, distribution and commercialization of household insecticides in national territory.

Household insecticides are substances used to control or kill disease-carrying insects. These can have different types of presentations, which include wettable powders, aerosols, gases, liquids, among others.¹

Insecticides are relevant products for households because by controlling insects, diseases or damage to health can be prevented. Insect-borne diseases are a major public health problem in the country, some of them are dengue, zika, chikungunya, malaria and Chagas disease.²

Relative monopolistic practices are acts, contracts, agreements or procedures carried out by one or several economic agents with substantial market power and that have, or may have, as its purpose or effect to unduly displacing other market participants, substantially impeding their access, or establishing exclusive advantages in favor of one or several economic agents. Examples of these practices are tied purchases or sales, exclusivities, discriminatory prices or treatment, raising costs for other economic agents and refusal to deal, among others.

This investigation (under file number DE-010-2021) should not be understood as a prejudgment on the responsibility of any economic agent, since so far no violations to the

¹ *Los Insecticidas [The Insecticides]*, Instituto Nacional de Salud Pública [National Institute of Public Health],

² Dirección del Programa de Enfermedades Transmitidas por Vectores, Centro Nacional de Programas Preventivos y Control de Enfermedades [Directorate of the Vector-Borne Diseases Program, National Center for Preventive Programs and Disease Control], 2017.

Federal Economic Competition Law have been definitively identified, nor the subject(s) who, if applicable, would be considered as probable responsible at the end of this investigation.

The timeframe for this inquiry is of up to 120 working days, starting on September 9, 2021, date in which the investigation began, which can be extended for an equal term up to four times.

If by the end of the investigation no elements that presume the realization of said anticompetitive practice are found, the Board of COFECE may resolve its closure. In case that elements that presume an infringement of the Law are found, those who result probable responsible will be called to a trial-like procedure to present their defense.

If the realization of a relative monopolistic practice is proven, the responsible economic agents could be sanctioned with fines of up to 8% of their income and the order to suppress the conduct.

Extract of the initiation of investigation agreement DE-010-2021 (in Spanish)

What is a relative monopolistic practice? (in Spanish)

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The Mexican Federal Economic Competition Commission is responsible for ensuring competition and free market access. In this way, it contributes to the people's welfare and the efficient functioning of the markets. Through its work, it seeks better conditions for consumers, that more services are offered with higher quality and that there is "level playing field" for companies.