

Cofece-043-2022

Cofece investigates the national flat glass market and products manufactured from flat glass

- The Investigative Authority has indications of the possible realization of agreements to manipulate, restrict or limit supply, segment the market, to agree or coordinate bids in tenders or to exchange information in the national market of flat glass and products manufactured from it.
- This investigation should not be understood as a prejudgment by the Investigative Authority, but as an action to verify the compliance with the Federal Economic Competition Law.

Mexico City, December 7, 2022.- The Investigative Authority of the Federal Economic Competition Commission (Cofece or Commission) published today, on its website and in the Federal Official Gazette, the notice of initiation of an *ex officio* investigation for the possible realization of agreements to manipulate prices, restrict supply or coordinate bids in tenders (absolute monopolistic practices) in the market for the production, distribution and commercialization of flat glass and products manufactured from it in the national territory. These are sanctionable conducts due to its negative effects on consumers, in terms of Article 53, sections I, II and V of the Federal Economic Competition Law (LFCE, per its initials in Spanish).

Flat glass is mainly used to meet the needs of the architectural industry (such as glass for the interior or exterior of buildings), as well as the needs of the automotive industry (such as windshields, side windows, rear medallions, rear-view mirrors, among others).

This investigation, with file number IO-003-2022, should not be understood as a prejudgment on the responsibility of any economic agent, since up to now no infringements to the regulations on economic competition have been identified, nor the subject or subjects who, if applicable, would be considered as probably responsible at the end of the investigation.

The timeframe for this inquiry is up to 120 business days, counted from June 7, 2022, period that may be extended for an equal period up to four times. If at the end of the investigation



no elements are found that presume the realization of said anticompetitive practices, the Board of Commissioners could resolve its closure. In case there are grounds that presume an infringement of the LFCE, those who result probable responsible will be called to a trial-like procedure to present their defense.

In accordance with the LFCE, if the existence of an absolute monopolistic practices is proven, economic agents could be fined with up to 10% of their income. Also, those who have collaborated, facilitated or induced the realization of these practices could be economically sanctioned. Natural persons that could have participated in the celebration, execution or ordering of this type of agreements between competitors, could be sanctioned with up to 10 years in prison. Nonetheless, it is important to mention that those who have participated in this type of conduct, can adhere to the benefits of the Immunity and Reduction of Sanctions Program offered by the Commission.

Read here the extract of the investigation initiation agreement (in Spanish)

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MORE COMPETITION FOR A STRONGER MEXICO

The Federal Economic Competition Commission safeguards competition and free market access.

Through its work, it seeks better conditions for consumers, that more services are supplied with higher quality and that there is a "level-playing-field" for companies







