

## **Cofece investigates the existence of illegal agreements between distributors and/or exhibitors of films in movie theaters.**

- *Mexico is one of the most important countries in the film industry and stands out in the exhibition of films globally. It is the fourth country in terms of movie theaters worldwide and, during 2022, it ranked in the same spot in terms of tickets sold.*
- *The Investigative Authority has evidence to assume the existence of anticompetitive agreements in such market.*

**Mexico City, June 1, 2023.-** The Investigative Authority of the Federal Economic Competition Commission (Cofece or Commission) initiated an ex officio investigation to determine whether illegal agreements were conducted between distributors and/or exhibitors of films in movie theaters in the national territory. The initiation of the investigation, in accordance with the Federal Economic Competition Law (LFCE by its initials in Spanish), was announced today on the Cofece's website and in the Federal Official Gazette.

Oversight of the LFCE in this market is important because the exhibition of movies is one of the main sources of entertainment for families. In 2022 alone, according to data from the National Chamber of the Film Industry, a greater number of tickets were sold than the total population of Mexicans residing in the national territory, reaching close to 182 million movie tickets. In addition, total box office revenues for the same period amounted to 12.25 thousand of million pesos, so that, in the event of an illegal agreement -either in the distribution or exhibition of films or in the other services offered in movie theaters-, this would have a direct impact on the families of our country who go to the movies.

It is important to remember that, although there are indications that there were agreements (known as absolute monopolistic practices, in accordance with article 53 of the LFCE), the investigation (identified with file number IO-007-2022) should not be understood as a prejudgment on the responsibility of any economic agent. It will be until the conclusion of the investigation that, if any, violations to the antitrust regulations are identified.

It is worth mentioning that those who have participated or assisted in an illegal conduct of this type, have the possibility to apply to the benefits of the Immunity and Sanction Reduction Program offered by Cofece.

In the Commission, as part of our commitment of sanctioning and deterring practices that threaten the welfare of the population, we work to prosecute any illegal conduct by any economic agent that threatens free competition and free market access.

[Click here for the 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.*