

Cofece notifies a statement of probable responsibility to companies and natural persons for possible illegal agreements in the waterproofing products market

- *The Investigative Authority identified that some companies and natural persons could have manipulated the price of waterproofing materials.*
- *Those involved will be able to argue in their favor regarding the alleged accusations against them. In case they are found responsible, they may be fined up to 10% of their income.*

Mexico City, June 29, 2023.- The Federal Economic Competition Commission (Cofece or Commission) notified a statement of probable responsibility to various companies and natural persons after finding evidence of probable collusion to manipulate the sale price (absolute monopolistic practice) in the market for the production, distribution, and commercialization of waterproofing products in the national territory.

Waterproofing products protect buildings from damage that water can cause. According to the 2020 National Housing Survey (ENVI, by its initials in Spanish), 44.2 % of the houses presented humidity due to water filtration and this turned out to be the main structural problem of the houses in Mexico, so waterproofing products become necessary for the maintenance of the more than 35 million homes in our country.

The investigation (file IO-002-2019) concluded on February 21, 2023, and with the notification of the statement of probable responsibility initiates the trial-like procedure in charge of the Technical Secretariat of the Commission, in which the companies and natural persons notified will be able to argue in their favor, offer related evidence and present arguments. Once the procedure has been carried out, the Board of Commissioners of Cofece will resolve it in accordance with the law.

If it is proven that an absolute monopolistic practice was carried out, sanctions could be imposed on the notified parties in accordance with the applicable Federal Economic Competition Law (LFCE by its initials 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.