

Position on the Approval of the Organic Simplification Proposed Reform

Mexico City, August 23, 2024. Regarding the proposed reform approved today by the Constitutional Affairs Committee of the Chamber of Deputies, the Federal Economic Competition Commission (Cofece) states the following:

First. Today, the Constitutional Affairs Committee approved the proposed reform of the organic simplification reform, which includes the dissolution of Cofece as an autonomous constitutional body. This proposal still needs to be discussed by the full plenums of the next legislature of the Chamber of Deputies, the Senate, and the local congresses. Cofece urges them to have an inclusive deliberation of this reform before its voting.

Second. Cofece reaffirms its willingness to engage in a broader dialogue with all parliamentary groups that will make up the next legislature of the Congress of the Union, to contribute to the discussion on the importance of preserving and strengthening the economic competition policy for the benefit of Mexican consumers, considering a strong institutional arrangement that preserves its principles.

Third. Since its creation, Cofece has made it possible for economic competition policy to accomplish historical effects and benefits for the welfare of households and employment-generating organizations. This has been achieved by imposing historical fines of more than 13 billion pesos on large companies that abused their power to the detriment of Mexicans. Moreover, it has generated savings of at least 36 trillion pesos for consumers in basic necessity products such as toilet paper, diapers, LP gas, transportation, chicken, tortillas, eggs, medicines, gas, and gasoline. For each Mexican peso allocated to Cofece, 152 pesos have been generated in benefits for the consumer. Furthermore, Cofece has investigated around 40% of the industries in Mexico, which has led to an annual increase of 3.3% in job creation and growth in wages.

Fourth. At Cofece, we are aware that there is still a long way to go to achieve a Mexico where no one can abuse their economic power to the detriment of the rest of the population. Therefore, even before the organic simplification initiative was sent to Congress, we were already working with different institutions to have more tools and achieve a better-functioning economy, with a level playing field and sanctions that deter those who disregard the law.

Fifth. Cofece trusts that the legislators of the next legislature will evaluate the elements that will be submitted for their consideration, to adopt the best model for Mexicans. It is essential to design a reform that ensures the promotion of free competition and the benefit of consumers, protects micro, small, and medium-sized enterprises, promotes regional development, and attracts investment.

Meanwhile, Cofece will continue to apply to the fullest extent the powers of economic competition policy, as it has done until now, to ensure the prosecution and sanction of anticompetitive practices and contribute to inclusive economic development for the benefit of the population.

- 000 -

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.