

Cofece fines Walmart and orders it to eliminate abusive practices against its suppliers

Mexico City, December 16, 2024. The Board of Commissioners of the Federal Economic Competition Commission (Cofece) determined that Walmart engaged in illegal conducts in the supply and distribution of food, beverages, and household hygiene and cleaning products in Mexico.

For 13 years, Walmart used its market power to impose abusive conditions on its suppliers, obtaining illegal advantages over its competitors. Walmart had a system that allowed it to impose discretionary discounts to force its suppliers not to offer better prices and conditions to other supermarkets, severely affecting them, particularly those of small and medium size.

Mexican families were also harmed through these conducts, as Walmart made it difficult for other supermarkets to offer better deals without this necessarily resulting in better prices for Walmart consumers. Therefore, the Board of Commissioners of Cofece fined Walmart, ordered it to stop these illegal conducts, and **prohibited it for the next ten years to:**

- **Retaliate against its suppliers** (such as **penalizing or terminating contracts**) because of their **commercial relationships with other supermarkets**.
- **Demand or impose prices** on its suppliers so that they are able to make attractive offers to other self-service stores.
- Require its suppliers to disclose information about the prices or conditions they offer to other businesses.
- **Apply discounts** to the prices at which it purchases products **without prior and express consent** from the supplier.

Additionally, the resolution orders Walmart to:

- Update its internal **policies, guidelines, and contracts** to comply with the resolution.
- Establish a **communication channel** for suppliers to report any **irregularity against the resolution**.
- Implement an economic competition **compliance program and appoint a high-level compliance officer**.

These measures were carefully designed by Cofece so that Walmart can continue to negotiate freely and competitively with its suppliers, without **gaining illegal advantages** over other supermarkets. Thus, these measures do not imply that Walmart cannot offer low prices to its customers; rather **it must do so by competing on equal terms for the preference of Mexican families**.

Cofece will verify compliance with these measures for **ten years** and may fine Walmart up to **8% of its revenue if it fails to comply with this resolution**.

Through this resolution, Cofece seeks to ensure that all supermarkets can freely negotiate with any supplier and that all can offer low prices to Mexican families, and reaffirms its commitment to work to guarantee competition in the markets so that the Mexican population has access to more and better goods and services.