

COFECE will redouble its efforts to guarantee competitive conditions in Guerrero for the benefit of the population affected by Hurricane Otis

Mexico City, November 8, 2023

A recent notice was published on the website of the Federal Antitrust Commission ("COFECE" or the "Commission") stating that COFECE will redouble its efforts to guarantee competitive conditions in the State of Guerrero for the benefit of the population affected by Hurricane Otis.

In order to prioritize all kinds of institutional efforts to accelerate the recovery of affected communities, the Commission will: (i) advise all sectors to ensure that competitive conditions will prevail to restore supply chains, remove artificial supply constraints, and prevent undue price manipulations; and (ii) recommend certain actions to be implemented.

Regarding the advice made, the Commission reiterated the following:

- Agreements or information exchanges between competitors which object or effect is to manipulate prices, divide or segment markets, restrict the supply of goods and services, or coordinate bidding positions infringe the Federal Antitrust Law.
- Any change in prices must be the result of individual and independent decisions, and must not be induced, encouraged, or recommended by associations or chambers to their participants, or any other coordination mechanism between competitors.
- The Commission will be vigilant and will investigate and punish any monopolistic practice.

For its part, and in relation to the actions to be implemented, COFECE indicates the following:

1. To make itself available to citizens and economic agents to immediately address and resolve any doubts or concerns that may arise due to activities, programs, policies, collaborations between competitors and their compatibility with antitrust law.
2. Collaborate to identify and undertake actions that stimulate competition and result in increased investment, including the pro-competitive design of public tenders or the removal of barriers to entering a market.

3. To monitor as a matter of priority the behavior of the markets and economic activities in Guerrero in order to, where appropriate, identify and investigate anti-competitive conduct.
4. Collaborate with both federal and local authorities to, within the scope of their powers, contribute to the reestablishment and normalization of economic activity in the state.

It should be stressed that this is not the first time that the Commission has sent such messages in the context of force majeure events, where it wishes to reiterate in particular that any collaboration agreements between competitors must be strictly under the scope of Mexican competition law.

If case that there is any further interest in this subject, our competition team is available to answer any questions or comments you may have related to it.

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