

March 2020

Statement of the Mexican Federal Economic Competition Commission regarding the enforcement of the Federal Economic Competition Law as a response to COVID-19

On March 27, 2020, the Mexican Federal Economic Competition Commission (the "Commission") released a statement stating its position regarding the enforcement of the Mexican Federal Economic Competition Law (the "Law"), in view of the current COVID-19 sanitary crisis, joining the efforts of the antitrust agencies in other jurisdictions such as the Department of Justice and the Federal Trade Commission of the United States of America and the antitrust agencies of the European Union.

As part of its statement, the Commission acknowledges COVID-19 as a serious disease of urgent attention, takes into consideration the establishment of the phase 2 contingency plan by the Mexican Federal Ministry of Health and highlights that it is aware of the negative effects the aforesaid may create for the companies, consumers and, in general, the functioning of markets.

In the light of the above and in order to avoid the interruption of the supply chains or the artificial restriction of the offer and the increase in the price of goods and services, the Commission stated the following:

1. The Commission shall not challenge those cooperation agreements between economic agents which, in the current context of the sanitary contingency, are necessary to maintain or increase output, satisfy the demand, protect the supply chains, avoid shortages or the hoarding of goods, and are not intended to displace competitors who also participate in the same market and are aligned with the law;
2. Any price increase shall obey individual and independent decisions adopted by each company and shall not be induced, encouraged or recommended by the Associations, Confederations or Chambers to its members;
3. Given that under the current circumstances any agreement between competitors to manipulate prices, restrict the supply of goods and/or services, allocate markets, as well as coordinate bids or refrain from bidding, is particularly serious, the Commission shall prosecute and sanction in accordance with the regulations applicable to this type of conducts.

