

**COMPETITION & ANTITRUST - MEXICO** 

# FECC will focus on priority sectors in 2017

February 23 2017 | Contributed by SAI Consultores SC

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### Introduction

The Federal Economic Competition Commission (FECC) recently issued its Annual Work Programme. The programme's initiatives largely focus on sectors of strategic importance to Mexico's economic and social interests.(1)

According to the FECC, these sectors:

- contribute substantially to economic growth;
- produce general consumer goods;
- affect other sectors:
- produce basic consumer goods for low income households; and
- have regulations which may restrict competition or characteristics which may encourage monopolistic practices.

The programme pays special attention to the energy sector – in particular, the fuel, diesel and liquefied petroleum gas (LPG) markets – as well as the financial and pharmaceutical sectors and public procurement proceedings undertaken by the government.

## **Proposed initiatives**

The FECC has a number of initiatives planned for these sectors in 2017, including:

- drafting a document which allows for the identification of omissions or opportunity areas
  regarding protective and promotional measures in public procurement proceedings with
  regard to economic competition. This document will contain recommendations aimed at
  promoting competition in public procurement proceedings;
- analysing the entire LPG value chain in Mexico from a competition perspective. This may result in possible policy or regulation recommendations;
- publishing a study on competition within the pharma market in relation to expired patents and issuing recommendations on how to improve competition;
- monitoring the implementation of the recommendations issued in the Research and Recommendations on Competition Conditions in the Financial Sector;
- developing guidelines for the analysis of collaboration agreements between competitors; and
- developing and presenting regulatory dispositions for the use of electronic media to the plenary of the FECC.

The FECC will also organise several seminars, workshops, discussion forums and training sessions with authorities, educational institutions, economic agents and their legal representatives.

## Comment

The Annual Work Programme indicates that the FECC plans to focus its activity for the present on

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strategic priority areas, taking into account Mexico's existing political and economic climate. These actions are to be expected from a regulatory authority tasked with protecting a country's economic competition conditions.

The FECC's monitoring of the sectors that it has previously analysed shows continuity, which is especially important given the relevance of these sectors in Mexico.

Further, the FECC's preventive actions will allow it to gain a better understanding of certain sectors and facilitate the detection of possible anti-competitive practices therein. In this regard, the FECC's activities should encourage economic agents participating in these sectors to adopt certain measures to avoid monopolistic practices that may harm, impede or restrict competition.

In addition, the FECC will finally develop guidelines for the analysis of collaboration agreements between competitors. These guidelines will give certainty and clarity to economic agents with regard to the analysis of these transactions, which, under the existing legal framework, are not subject to FECC merger control.

For further information on this topic please contact Lucía Ojeda Cárdenas or Felipe García Cuevas at SAI Consultores SC by telephone (+52 55 59 85 6618) or email (loc@sai.com.mx or fgc@sai.com.mx). The SAI Consultores website can be accessed at www.sai.com.mx.

### **Endnotes**

(1) Available here.

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