Sep. 19, 2012

DISCUSSION TOPIC

CFC’S UNCERTAIN STANDARD.

TORTILLA MARKET AND COLLUSION.

1. Recently the Federal Competition Commission (CFC) sanctioned various economic agents pursuant to article 9, section III, of the Federal Law of Economic Competition (FLEC).

Ref., <http://www.cfc.gob.mx/images/stories/Noticias/Comunicados2012/cfc%2014-2012.pdf>

<http://www.cfc.gob.mx/cfcresoluciones/DOCS/Asuntos%20Juridicos/V50/14/1637535.pdf>

1. According to CFC the involved agents conspired to apportion geographically the tortilla market regarding manufacturing, distribution and retailing in a county (Municipio) of Chiapas State.
2. This resolution reflects CFC’s position as mandated by FLEC against collusive acts. Pursuant to FLEC such acts should be sanctioned following a per se approach. Thus the collusive act is bad for competition regardless any other consideration. Colluders may even establish lower prices than before or in a given segment of the market, yet their behavior is contrary to competition law.
3. CFC’s uncertain standard.

Contrary to CFC’s decision just mentioned, it is worth recalling that in 2007 the federal government promoted –without due process- a general collusive agreement along the corn-tortilla chain. The CFC did not act against it, even though it can be shown that such agreement was contrary to FLEC’S article 9. Ref., Acuerdo para Estabilizar el Precio de la Tortilla. (Enero, 2007) at [www.antitrust.com.mx/articulos.html](http://www.antitrust.com.mx/articulos.html)

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