

COFECE initiates Investigation in the Liquefied Petroleum Gas Distribution Market

Antitrust - June 1st, 2021

On May 31, 2021, the Federal Economic Competition Commission ("COFECE") published in the Official Gazette of the Federation ("DOF") the extract from the initiation of an investigation to determine the existence of effective competition conditions in the Liquefied Petroleum Gas ("LP Gas") distribution market (the "Relevant Market").

The Relevant Market is comprised of the sale of LP Gas through portable containers (cylinders) and auto tanks (pipes), which are used to supply homes and businesses that have stationary tanks.¹ The investigation was initiated ex officio, due to the price monitoring activity in the Relevant Market, and it is independent from other procedures currently processed by COFECE in that industry.

The purpose of the abstract published in the DOF is that any person can approach COFECE and contribute with any information considered pertinent for the Investigation.

Pursuant to the Federal Law on Economic Competition ("LFCE"), the investigation period will have a minimum duration of fifteen business days, with forty-five business days as a maximum term. Said period may be extended for a single occasion, for up to an equal period, if there are causes that justify it.

If it is determined that the effective competition conditions in the Relevant Market are compromised, COFECE may impose measures and recommendations to solve such problematic circumstances.

For further details, or if you have information that could be of use to COFECE and want to contribute to the Investigation process, please do not hesitate to contact us.

¹ The Relevant Market does not include the distribution of LP Gas through pipelines.

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