

Antitrust probe targets Cancún airport

Wednesday, 28 September 2016 (*Yesterday*) by Henry Stockley

Mexico's competition authority is probing Cancún's international airport, marking its second high-profile airport investigation this year.

The Federal Economic Competition Commission (COFECE) on Monday said it would investigate the airport for possible "relative monopolistic practices" in federal passenger transportation. Relative monopolistic practices are illegal depending on a company's market power, and are equivalent to by-effect or rule-of-reason infringements.

COFECE said no infringements have been identified but an investigation will take place. "This investigation must not be understood as a prejudgment but as an act of the authority to verify compliance with the law," the agency added.

Earlier this month, the competition enforcer fined Mexico City's international airport 63 million pesos (US\$3.2 million) for allegedly using discriminatory contracts with taxi companies to shut out new market entrants.

If possible violations are found, the airport will be called to a trial-like procedure to submit its defence. It could face a fine of up to 8 per cent of its annual turnover if COFECE finds that a competition infringement has taken place.

Fernando Carreño Nuñez de Alvarez at Von Wobeser y Sierra SC in Mexico City states this investigation highlights COFECE is no longer focused only on cartel investigations. Instead the commission is also interested in investigating potential by-effect infringements.

Comments

There are currently no comments.
