



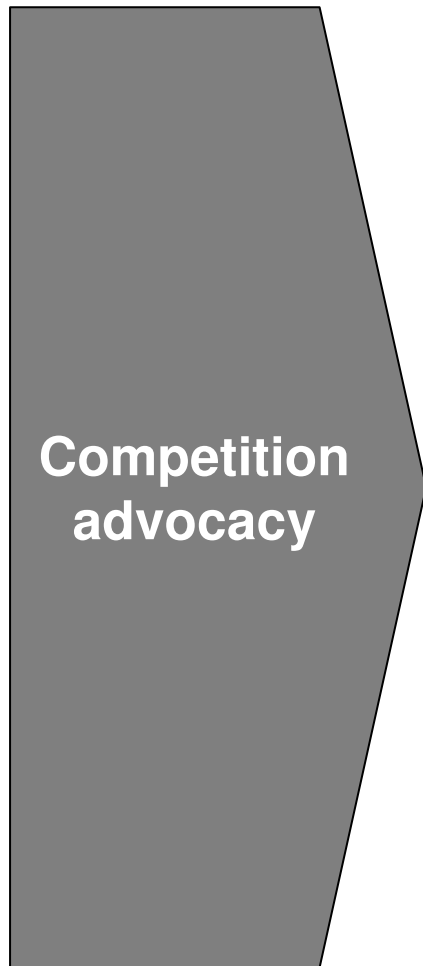
COMISIÓN FEDERAL DE COMPETENCIA
MÉXICO

Fostering competition culture

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Competition advocacy has been an essential factor to counteract Mexico's inefficient regulatory framework and distorting public policies, mainly in regulated sectors



Competition culture

(1) **Increasing authorities' awareness** about competition policy

- **Influencing** the regulatory framework and public policies
- **Including** competition criteria within judicial review
- **Preventing** local barriers to competition

(2) **Increasing public awareness** about the benefits of competition for consumers

- Lower prices
- More variety
- Better quality

Non-binding “opinions” have been the most effective tool for competition advocacy within the executive and legislative branches

Purpose

1. To better understand the structure and functioning of complex markets
2. To help clarify whether inefficient markets result from anticompetitive behavior or from structural issues (regulation, imperfect information, etc)
3. To set an agenda or establish a work plan to solve regulatory problems that affect competition

Implementation strategy

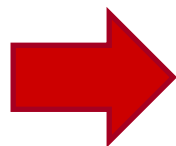
1. Communications strategy to create awareness and debate among the general public
2. Building awareness among market participants and consumers
3. Coordinating with other regulators
4. Lobbying with the executive and legislative branches

Key lessons

Recommendation

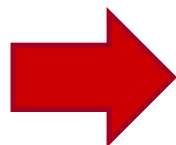
Result

Public debate



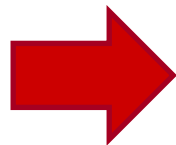
- Making opinions public and using media have allowed to create a public debate and put pressure on other authorities to adopt CFC's opinions

Technical soundness



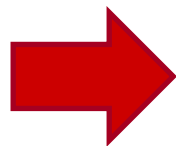
- CFC's opinions have been based on solid legal and economic arguments which facilitate their defense against opposing views

Credible threat



- CFC's power to issue binding opinions has served to facilitate adoption of non-binding opinions


Autonomy



- CFC's autonomy in its decision-making process has been essential to focus on competition matters

Better relationship and training activities with the Judiciary have been important in improving defense of CFC's resolutions

- ✓ Effective communication of CFC's legal and economic reasoning
- ✓ Clearer and better motivated conclusions derived from investigations
- ✓ Consideration of previous judicial decisions
- ✓ Mutual capacity building activities

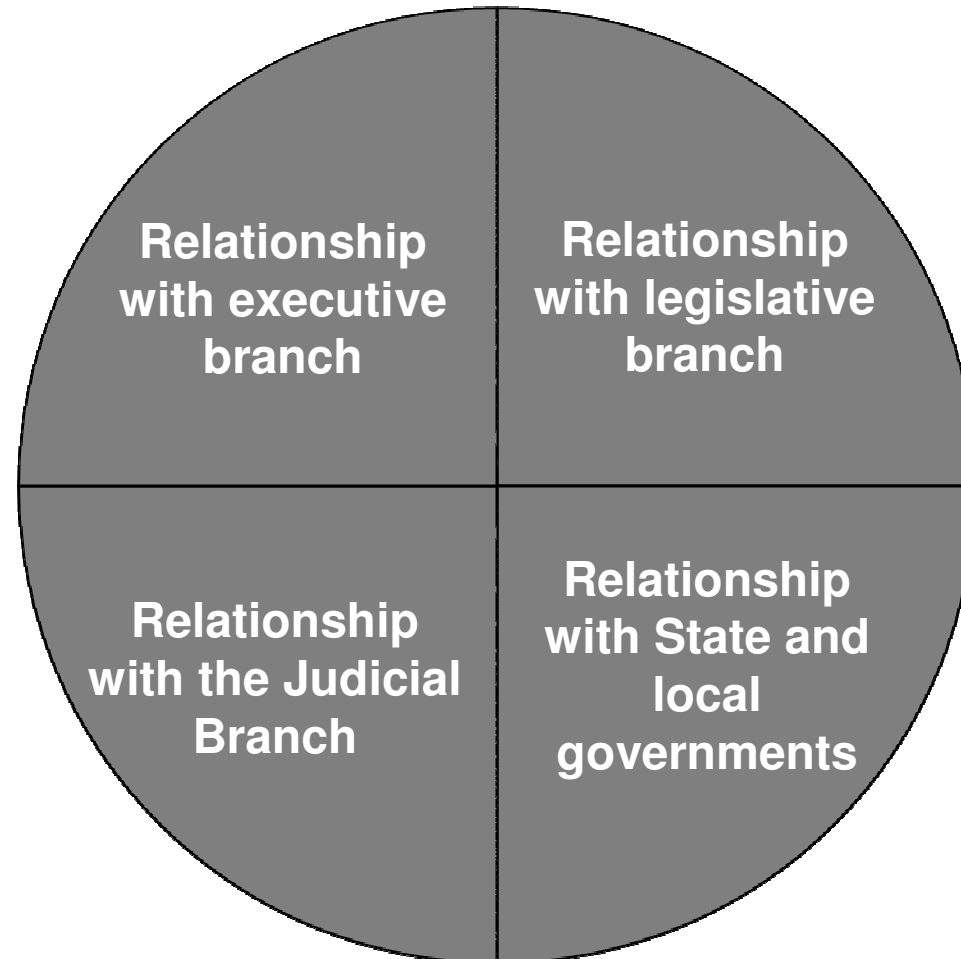


In 2008 the CFC
won 76% of
judicial reviews of
its resolutions

Competition advocacy must cover all government branches and levels in order to be effective

Advocacy activities within government

- Opinions
- Meetings
- Cooperation



- Opinions
- Seminars

- Communication
- Mutual capacity building

- Collaboration agreements
- Regional road-shows
- Opinions