

Mexico breaks up bus cartel

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Mexico's Federal Economic Competition Commission (COFECE) has fined 18 bus companies and 31 of their executives more than 1.2 billion pesos (US\$61 million) for fixing prices and dividing the market in what is thought to be its highest-ever cartel fine.

The authority said in a statement on 25 October that the cartel manipulated prices and divided the market, either by agreeing not to compete with each other or by allocating certain bus routes. In some cases, the parties even compensated each other for lost income and expenses according to previously agreed percentages, it added.

The conspiracy, which consisted of six independent agreements implemented between 2000 and 2020, is estimated to have cost consumers more than 3.4 billion pesos (US\$171 million) in overpaid ticket prices, it said.

The cartel covered 44 routes across much of the country, including the central, central-south and south-southeast regions, as well as the state of Tamaulipas.

Some of the country's most important bus companies participated in the conspiracy, including ADO, Estrella Blanca, Estrella Roja, IAMSA, Senda and Pullman, the enforcer said.

The cartel was especially serious because it undermined the quality of a public service, which justified the issuance of maximum possible fines to each offender, totalling more than 1.2 billion pesos (US\$61 million), the competition watchdog added.

Patricio Martínez Osorio, counsel at González Calvillo, SC, told Latin Lawyer's sister publication *Global Competition Review* that this is the highest fine the authority has imposed on a cartel. The conspiracy also involved the highest number of fined parties since COFECE was established in 2013, he said.

The competition watchdog did not respond to *Global Competition Review's* request for comment.

The parties can appeal against the sanctions.

The fines come seven years after the authority ordered seven bus companies to pay 26.6 million pesos (US\$1.2 million) for fixing prices and reducing services. The fines levied in July 2015, like those issued yesterday, fell short of the estimated cost to consumers.

Ómnibus Cristóbal Colón was fined for its part in both cartels. For that reason, it is considered to be a repeat offender, subject to double the potential fines, Martínez Osori said.

Carlos Chávez, a partner at Galicia Abogados in Mexico City, noted that the fining of individuals has increased in the past five years.

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