

The upcoming Energy Reform in Mexico

墨西哥能源制度的即将改革

Even though the Mexican energy sector has stood out in the last six decades for its remarkable oil industry, a substantial reform is required to further develop the country and boost investment and employment. This is one of the goals of the newly elected government.

在过去的 60 年，墨西哥的能源业务脱颖而出，主要是归功于其石油工业。然而，为了进一步发展国家以及促进投资和就业还需要在该行业做重大的改革。这是新当选的政府的目标之一。

After a close but smooth federal election, the opposition party in Mexico for the past 12 years, the Partido Revolucionario Institucional (“PRI”), returned as Mexico’s ruling party. With the PRI taking power, some changes are expected to be made to Mexico’s domestic and international policies.

Mexico’s new president, Enrique Peña Nieto, who took office on December 1, 2012, recently announced that a constitutional reform of the Mexican energy sector affecting, in particular, Mexico’s most important decentralized federal agency, Petróleos Mexicanos (“Pemex”), will be carried out in the first quarter of 2013.

While the specific terms and conditions of the energy reform have not yet been unveiled and important details remain under debate, Mexican political parties expect public-private projects to be the most likely mechanism to be used for developing and strengthening the energy sector. Most of the country’s political, economic and legal experts expect that the reform will create a significant number of jobs and pave the way for huge capital operations and transactions. Nevertheless, opinions on how to best approach the reform remain diverse. Leftist political parties are against any constitutional amendment to provisions concerning the energy sector and oppose any type of private investment in the oil industry or Pemex. On the other hand, the PRI intends to carry out a comprehensive energy reform, including the amendment of constitutional provisions on the ownership of assets and exploitation rights, which would invariably lead to the participation of private investments in Mexico’s energy sector.

Scope of foreign investment

As a result of the prospective changes, foreign investors are eyeing Mexico's energy sector. International companies are waiting for comprehensive legislation on the subject that would guarantee more legal certainty. Mexican entrepreneurs and government officers are convinced that a comprehensive energy reform would attract more than USD100 billion of private investment to the energy sector.

In this sense, global companies such as General Electric and Repsol have expressed interest in investing in Mexico, both in the oil industry and other energy-related industries such as gas production.

Mexico should take advantage of the fact that 60% of the world is fuelled by hydrocarbons. Developing energy for domestic consumption in addition to that designated for export must be the overriding goal of the reform in light of current oil prices, its quantity and types of reserves and the current crises in some countries.

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