

## Round One, First

Why the public interest in Mexico is best served by having Pemex go last

**B**RAZILIANS PRESENT A SKILLFUL TEAM at the World Soccer Cup; and they are savvy operators in deepwater reservoirs, not only in Brazil but in the U.S. Gulf of Mexico. But in matters of the regulatory, legal and fiscal architecture of the oil sector, a lot is to be desired. In the so-called Libra Round of 2013 the authorities expected at least twenty operating companies as bidders; but only one Western company came to the party.

In the late 1990s Brazilians promoted the idea of a “Round Zero,” the purpose of which was to define those exploration and production assets that would remain with **Petrobras**, the national oil company with a mixed capital structure.

Afterwards, there would be subsequent rounds in which other players (not excluding Petrobras itself) could participate.

The idea of a Round Zero may have been a good one in the Brazilian context, but it is a mistake for the Mexican government to emulate Brazil by having an analogous round for **Pemex**. Why a mistake?

Read our Market Comment O31, issued May 12, 2014, and which comments on Pemex’s presence at the Offshore Technology Conference (OTC).

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Contact [sales@energia.com](mailto:sales@energia.com)

Or read the summary of the arguments in a column in REFORMA, published June 10, 2014.



## Ronda Uno, primero

**L**os brasileños son muy listos en fútbol y además en la perforación en aguas profundas. Pero no son tan hábiles en la arquitectura regulatoria aplicable a la exploración y producción de bloques por empresas extranjeras.

Fueron ellos quienes promovieron la idea de una “Ronda Cero” por la cual los activos petroleros de alto valor quedarían con Petrobras, la empresa estatal de capital mixto. Después, habría futuras rondas, empezando con la “uno.” Quizá fue buena y oportuna la idea para ellos. Los resultados de la “Ronda Libra” en 2013 no fueron tan halagüeños: las autoridades esperaban 20 operadores licitantes, pero sólo llegó uno.

El Gobierno mexicano se equivoca al adoptar esta idea como pieza clave en la reforma energética. El reto principal del Gobierno es ejercer su licencia social y política para otorgar un contrato a una de las grandes firmas extranjeras del occidente. Así, a una, Chevron o Shell.