

MEXICO'S ENERGY SECTOR: COMMERCIAL & POLICY OUTLOOK

2017

March

TUE, MAR 21, 17

Houston Roadshow for Mexico's Round Two

File **840**
Pages 15
Charts 2

On March 9, 2017, a Houston audience was presented with an overview of the upcoming lease auctions in Mexico's Round 2. The principal speaker was Juan Carlos Zepeda, president of the National Hydrocarbon Commission. Accompanying him were Salvador Ugalde with the Finance Ministry and Oscar Roldán, also with the Commission. The speakers described recent enhancements of the bidding process, such as having a schedule for bid rounds and allowing a bidder to obtain a technical qualification certification for a given type of auction that would be valid for 5 years for all blocks of that type (such as shallow water). Table 1 compares features of the U.S. and Mexico offshore oil regimes, suggesting that there is just a one-third

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WED, MAR 8, 17

Glossary of Pemex Open Season for Sonora and Baja California

File **839**
Pages 25
Charts 5

This glossary provides a guide to the Open Season for contracting capacity in Pemex infrastructure for refined products. The framework is provided in the two annexes of CRE RES 113/2017: Annex I Storage, Annex II Transportation.

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February

TUE, FEB 28, 17

Bilingual Glossary of Fuel Quality Standards in Mexico

File **836**
Pages 22
Charts 4

In anticipation of investor interest in Mexico as an export market for gasoline, diesel and jet fuel, and in the market segments of storage and transportation, on August 29, 2016, CRE issued regulations for compliance with fuel quality standards (NOM-016-CRE-2016). This glossary provides translations in English of the terms and definitions associated with the standards and the compliance framework. Tables 1, 3 and 4 sort terms in their alphabetical order in Spanish, while Table 2 sorts terms according to their English translation.

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THU, FEB 16, 17

Security and Rule of Law in Mexico

File **838**
Pages 14
Charts 0
Updated 2/20/2017

In the light of the disruptions of highway traffic and commerce, including vandalism, that took place nationwide in Mexico during the first two weeks of January, a fresh look at the issues of security and rule of law is appropriate. In this report, we take note of Mexico's low international ranking regarding the rule of law and the universal distrust of the police. We examine several aspects of security risk such as the vulnerability of an organization to extortion by organized crime. In parallel, we raise the topic of the behavior of public officials who seek to monetize their position or experience in government service. The report lists familiar and new precepts for personal security.

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REPORTS ON MEXICO'S ENERGY SECTOR

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WED, FEB 8, 17

ASEA Bilingual Glossary

File 837
Pages 70
Charts 0

Mexico's Hydrocarbon Safety Agency (ASEA) was created by law in the Energy Reform of 2014 as an agency to provide public oversight over the entire hydrocarbon value chain, from seismic surveys to service stations. In 2016, the Agency issued general safety guidelines in May and additional ones in December pertaining to exploration and production. The present report draws on our Lexical Database of Mexico's Energy Sector to create 7 tables in which >100 defined terms and their definitions from the three ASEA documents are translated: Table 1 ASEA Law, Table 2 General guidelines, Table 3 E&P guidelines, Table 4 Composite list, sorted in Spanish, showing source, Table 5 Same, sorted in English, Table 6 Definitions in

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January

MON, JAN 30, 17

Mexico's Energy Sector in 2016

File 835
Pages 22
Charts 5

This report surveys developments in Mexico's energy sector in 2016, taking note of high-level personnel changes and institutional and commercial developments. Most of our attention was placed on understanding the farmout strategy that Pemex announced in mid-July and that became the basis for the auction on Dec. 5 of a working interest in Pemex's Trión lease. In relation to the electricity sector, we prepared a Bilingual Glossary of Mexico's Power Industry for the Gulf Coast Power Association. We also prepared several reports related to bilingual proficiency, with reference to challenges in Mexican Spanish. We conclude that the energy reforms of 2013-16 represent a transitional regime. In Table 1 we suggest features of the

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MON, JAN 16, 17

Gasolinazo 2017

File 834
Pages 18
Charts 2
Updated 1/19/2017

This report examines the popular backlash against the government's price increases for motor fuel that went into effect January 1, 2017. The government invoked two independent arguments: 1) gasoline prices should be in alignment with international indexes and 2) not increasing gasoline prices would put Mexico's economic stability at risk. Leaders of opposition parties rejected the first argument and blamed any lack of government revenue on incompetent economic management. Absent a full disclosure of the government's financial picture, the wisdom and timeliness of the price increases cannot be determined. Officials chose to ignore the geopolitical moment of the imminent installation of a U.S. administration whose policies

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