
The Challenges to Mexico's Energy Sector

USMCA and the AMLO Administration

September 26, 2019





- Investor-state dispute settlement mechanism remains in place
- Maintains NAFTA's tariff-free trade of raw and refined oil and gas products
- Grants equal opportunities to participate in Pemex and CFE tenders



- Includes a statement -important to the nationalistic portion of the country- that declares Mexico has “direct and inalienable ownership” of its hydrocarbons
- Keeps the capacity to introduce constitutional changes to the energy sector, but these cannot be contrary to the spirit of the USMCA



- The largely symbolic “proportionality clause” is wiped out
- Tariffs on diluent used to transport heavy oil are eliminated

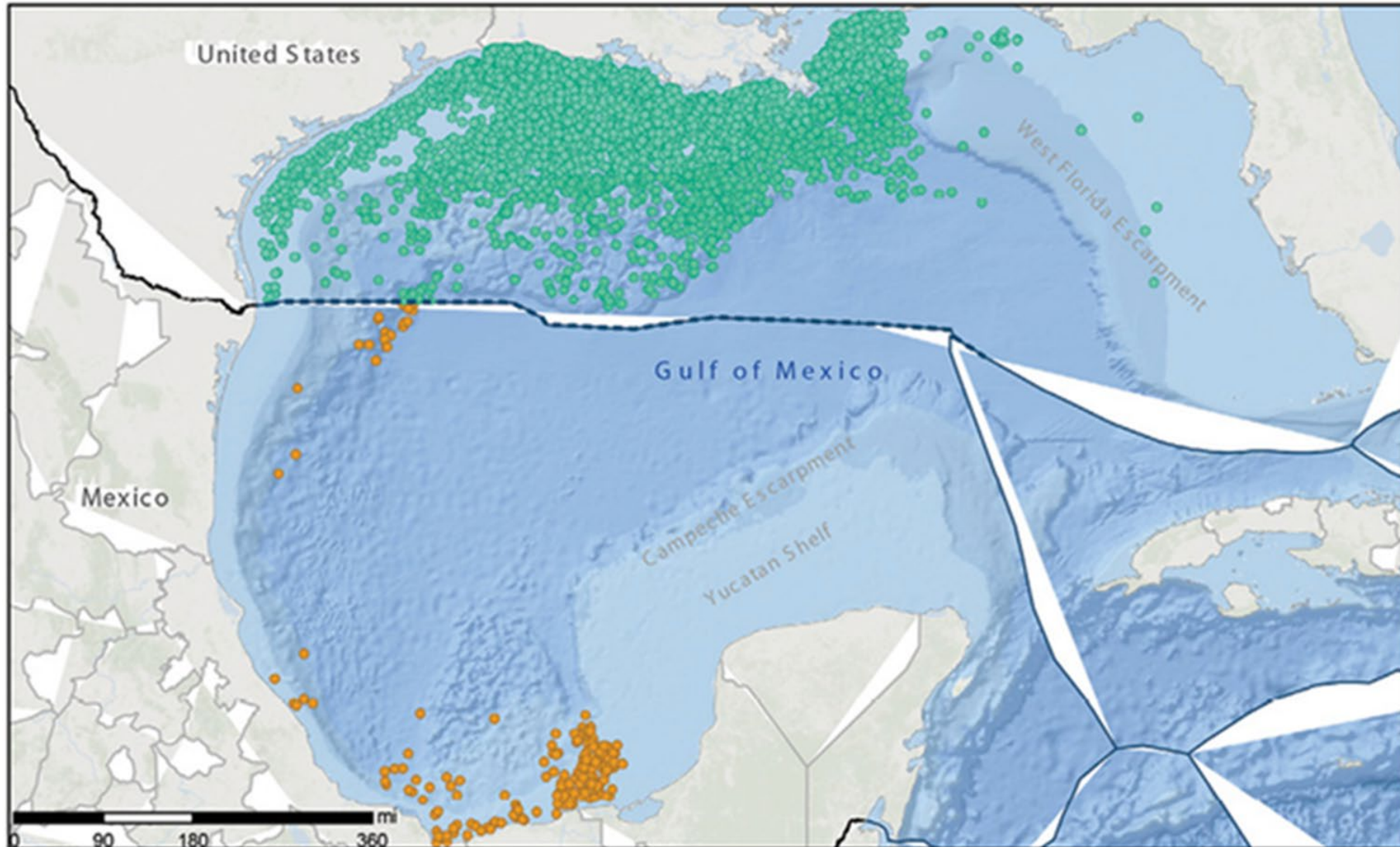


An ideological leader, but a pragmatic approach



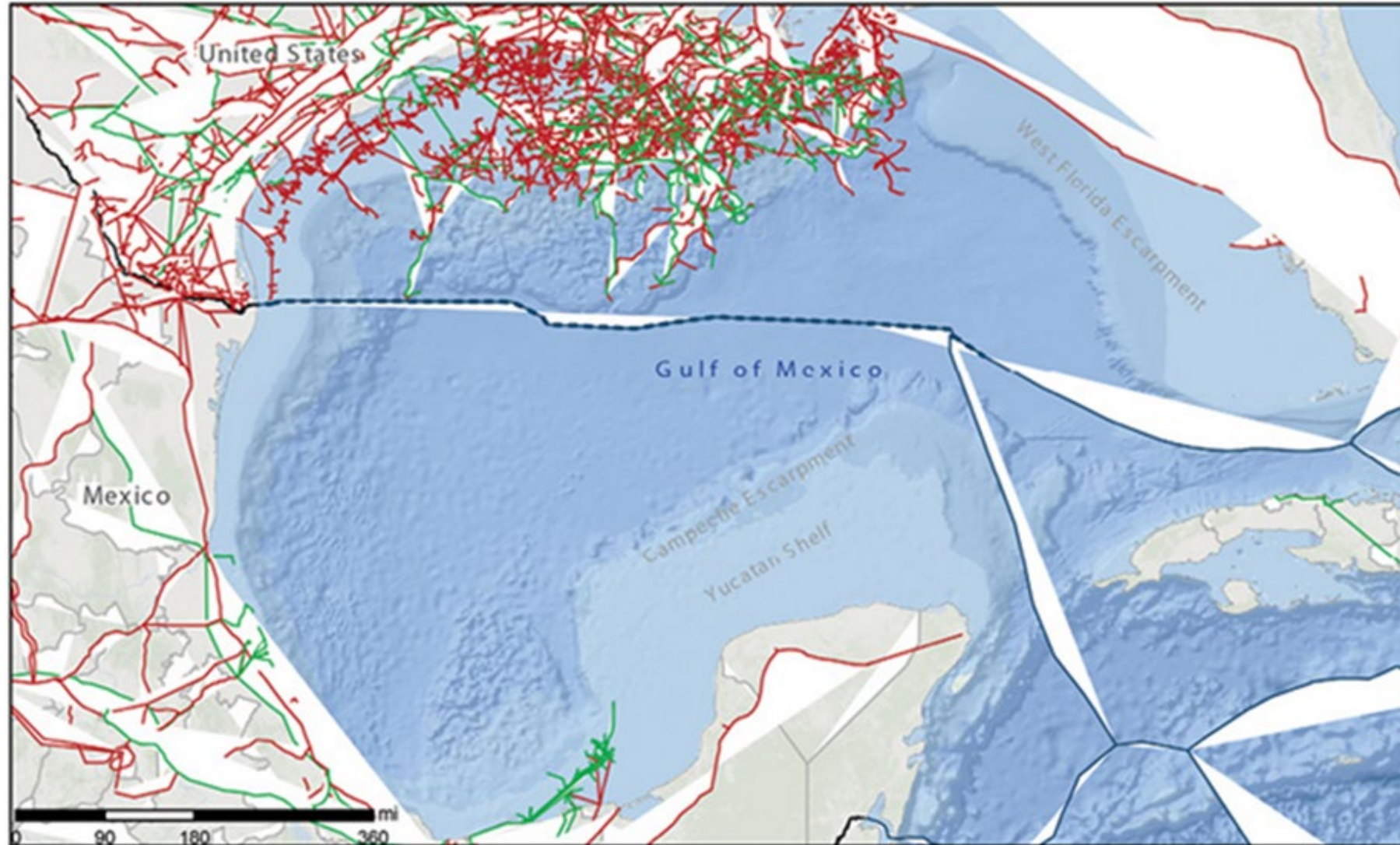


Exploration wells drilled in the Gulf of Mexico (-2018)





Pipeline infrastructure across the Gulf of Mexico (2018)









- Competitiveness
- One Gulf approach
- Digitalization
- Security
- Border development
- R&D





Thank you

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