

MAYER • BROWN

The Political Prospects for Energy Reform

Dr. Duncan Wood
Director, Mexico Institute
WWICS

Duncan.wood@wilsoncenter.org

8TH ANNUAL

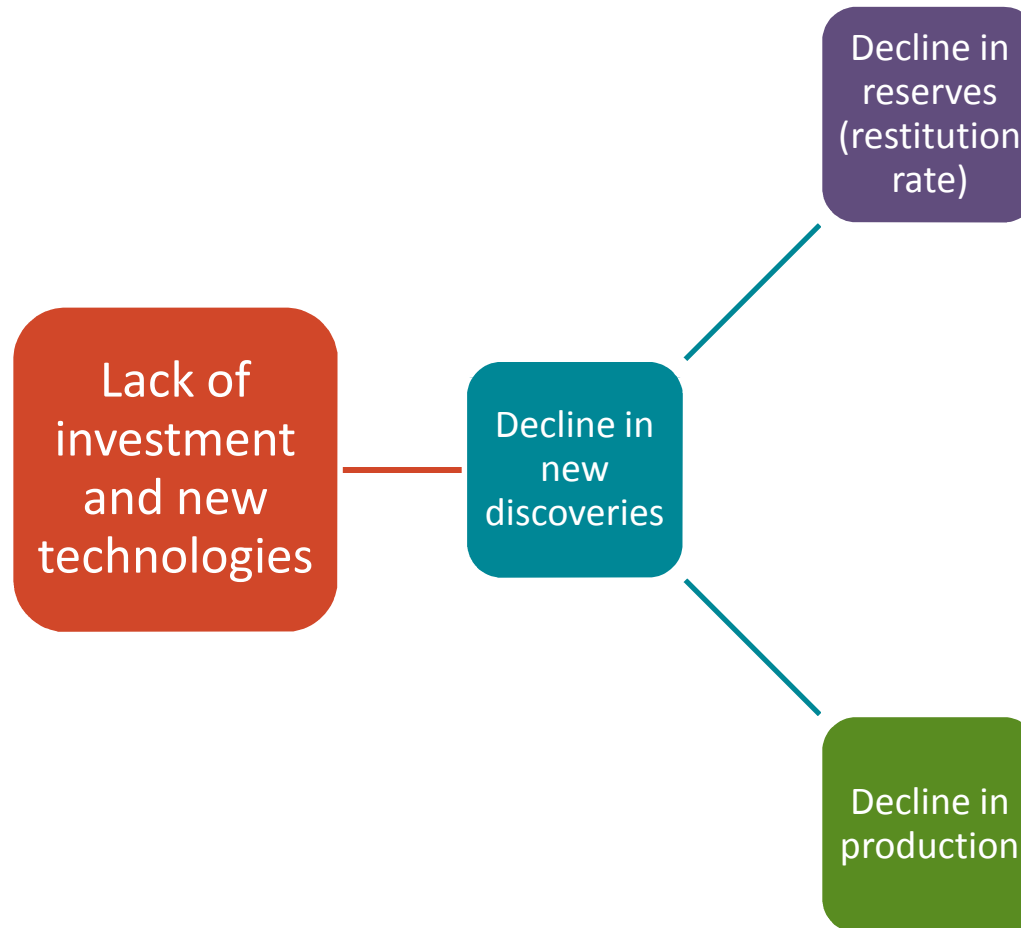
**Global Energy
Conference**

THE WORLD TURNED
UPSIDE DOWN

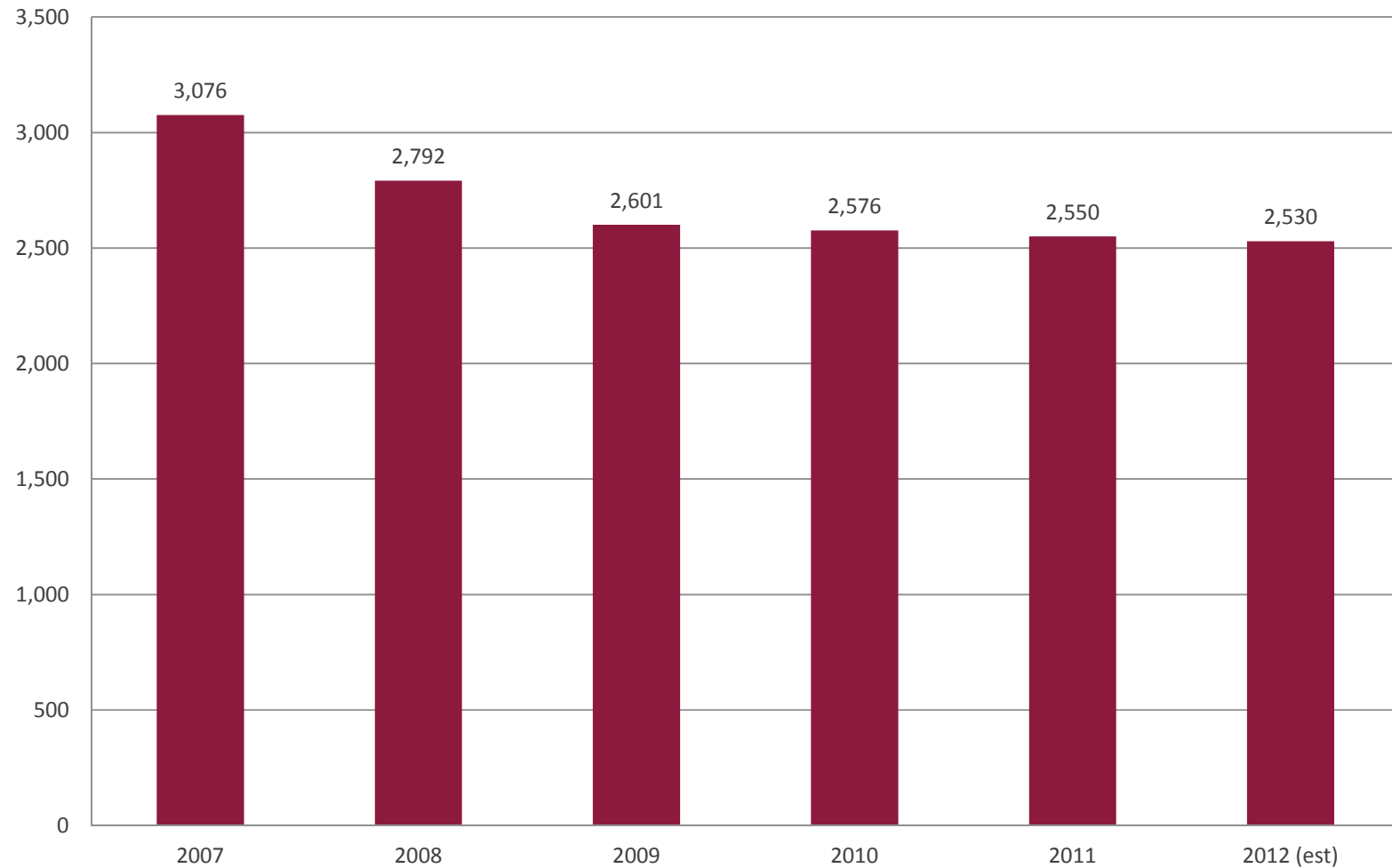
May 2013

Mexico's Oil problem

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Pemex crude production, annual average '000 bpd, 2007-2012



Natural Gas

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The shale revolution

Perverse incentives

Preparing for
the future

The need for
investment

Can Pemex do this
alone?

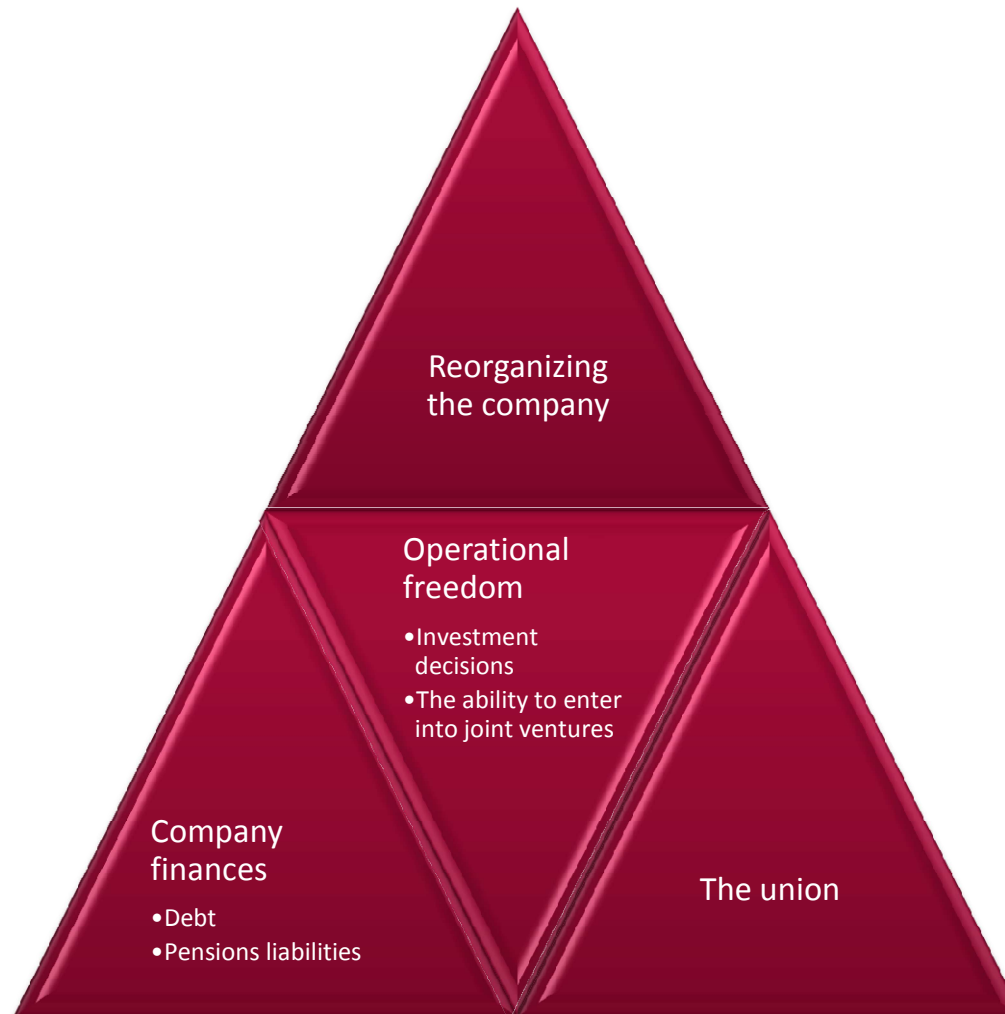
Seeking Reform

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The
reform
agenda

The
prominent
issue

The Pacto
por
Mexico



Priorities for the LXII legislature

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Energy as the Prominent Issue

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Enrique Peña Nieto's consistent message since 2011

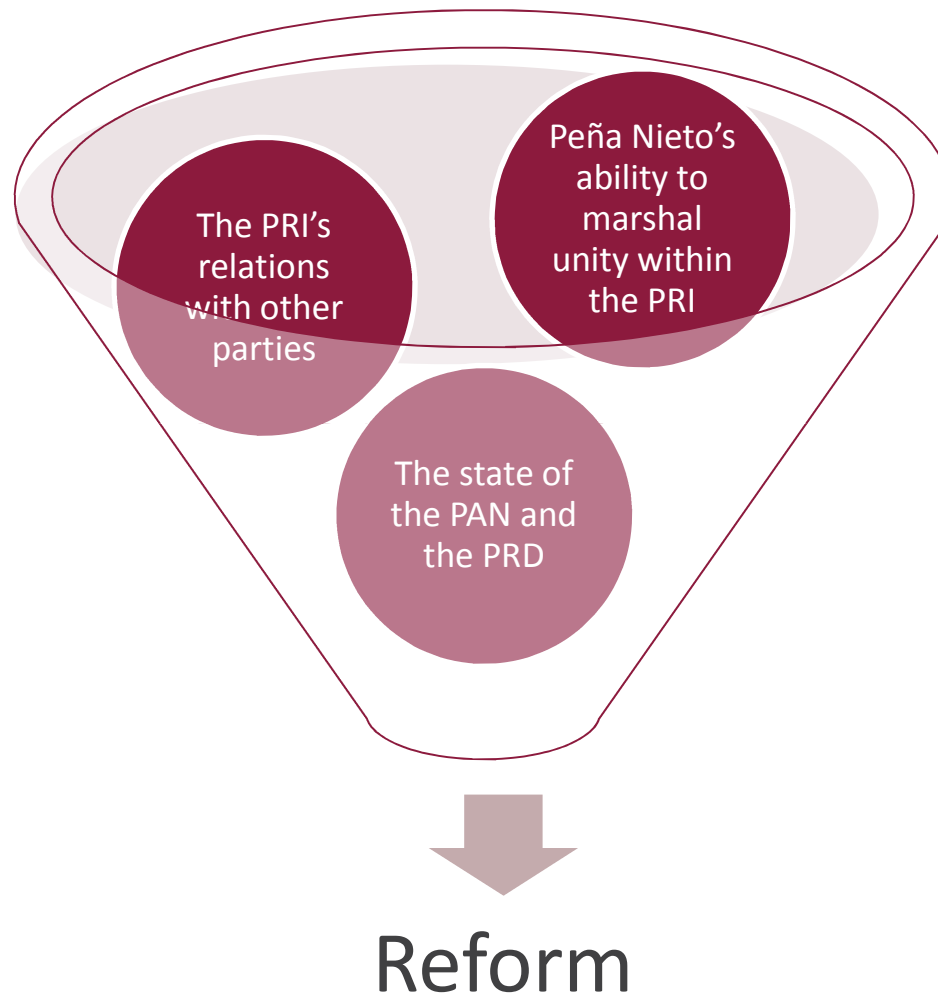
Consensus over the need for change

The role of the media and the international press

PRI & PAN vs PRD?

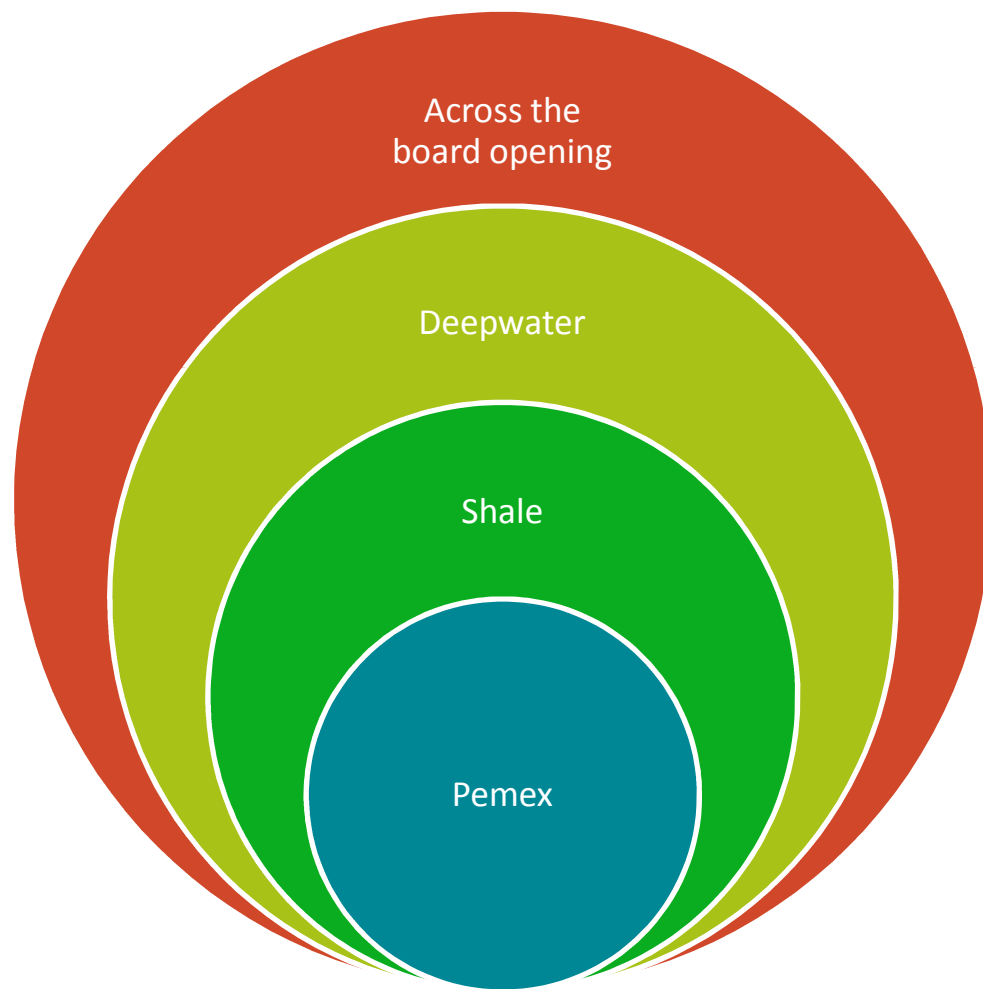
The Pacto por Mexico

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The Options for Reform

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Is constitutional
change needed?

Models for Pemex Reform

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Banco de Mexico model

- Make Pemex independent
- Remove from budget process

Saudi Aramco model

- Pemex as a company: completely owned by government but allowed to strike alliances with private sector

Petrobras model

- Publicly traded company but with majority ownership by government

Factors Impacting Reform

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THANK YOU