

ANNUAL CATALOG

MEXICO'S ENERGY SECTOR Commercial and Policy Outlook Reports

2009

- FRI, JAN 16** **Outlook for a Natural Gas Market in Mexico: Impediments and proposals**
- File **744** This report identifies factors in play that, together, have resulted in the absence of an open natural gas market in Mexico. These impediments are grouped into eight categories (see outline), and, for each, there is an explanation of the nature of the problem as well as suggestions for policy or institutional corrections. **1**
- Pages 17
- Charts 4
- TUE, MAR 3** **Pemex 4Q 2008 Conference Call to Portfolio Investors: Critique of Q&A and Topics Omitted**
- File **100002** This market note, published on the same day as the Pemex 4th Quarter Conference call to lenders. The Pemex speakers were Esteban Levín and Vinicio Suro. The report reviews the basic operational and financial forecasts; and goes on to examine Pemex replies given to questions from financial institutions. The report notes that the meaning of “loss” in Pemex accounting is not comparable to that of other companies in Mexico. **2**
- Pages 2
- Charts 0
- THU, MAR 12** **Softball in the Mexican Senate: Confirmation Hearings of Pemex Outside Directors**
- File **100003** This report comments on the Senate confirmation hearings of the four nominees that had been proposed by President Felipe Calderón on February 20, 2009. The report notes that the questions asked by senators were soft ones, and that a nominee’s views on hard questions were avoided (we list five hypothetical questions that could have been asked, such as a candidate’s views on joint development of cross-border oilfields and his views on the role, if any, of IOCs in developing deepwater resources in Mexico. **3**
- Pages 2
- Charts 0
- SAT, MAR 21** **PemexWeek, March 18-20, 2009**
- File **100004** This report comments on two public events related to the present situation and future of Pemex. The March 18th commemoration of the oil expropriation of 1938 is the central element in Mexico’s petroleum narrative. This year, the special topic concerned the siting of a new refinery. The report notes that President Calderón said that he wanted “advice” from governors, but no mention was made of input from Pemex. The second event was Pemex’s report on the status of hydrocarbon reserves. **4**
- Pages 2
- Charts 0

MEXICO ENERGY MEXICO ENERGY INTELLIGENCE™ (ISSN 2380-6400) is a digital publication based in Houston since 1996 and edited by market analyst and historian George Baker, Ph.D. We synthesize business journalism and academic scholarship, analyzing law, regulation, policy, and institutional governance in Mexico's energy sector *from the perspective of regulated market solutions*. Subscribers are energy companies, regulators, trade associations, law firms and university libraries. Reports are distributed principally by paid subscription.

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SAT, APR 4

Outlook for a Mixed Procurement System in Pemex

File **752**
Pages 10
Charts 13

This report reviews the procurement rules and concepts in the Pemex Administration Act of 2008, noting the gap between Articles 51 and 52 relating to the definition of mission-critical activities. The first allows Pemex to step outside the rules of the Public Works Law, devising procurement rules of its own. The limitation is that these rules apply only to core activities, as established by Article 3 of the Petroleum Law. The report points out that this article says nothing about core activities.

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THU, MAY 21

The Perfect Monopoly in Energy

File **100005**
Pages 1
Charts 1

Fig. 1 of this report plots 14 oil producing countries along two axes: 1) commercial control of energy production (X axis: STATE vs. PRIVATE) and 2) Popular opposition to the State's role in the energy sector (Y axis: HIGH vs. LOW). Mexico is plotted in the quadrant of HIGH STATE, LOW OPPOSITION, and, as such, may be the only perfect monopoly in energy. The report asks about the opportunity cost to Mexico of the government's considerable investment in maintaining a broad consensus on the state's role in energy.

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TUE, MAY 26

Press Interview with George Baker Regarding the National Hydrocarbons Commission

File **100006**
Pages 2
Charts 0

This report provides a summary of a telephone interview with a Mexico City-based journalist, consisting of questions and responses by George Baker regarding the new appointees to the National Hydrocarbon Commission (CNH) and the mandate of the commission itself. The conversation revolves around the question of Mexico eventually having a true upstream regulator.

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FRI, MAY 29

The National Energy Council: Membership Profiles

File **100007.1**
Pages 1
Charts 2
Updated 1/25/2011

This report briefly examines the membership profile the National Energy Council, a 16-member advisory body within the Energy Ministry that was created by the 2008 Energy Reform. Table 1 lists the original members; Table 2 sorts the members by the years of experience in the energy sector. Of the 16 members, only 3 had professional experience of 25 years or more, while 6 had a background of three years or fewer.

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SUN, MAY 31

Why Is Mexico Mexico?

File **100008**
Pages 1
Charts 0

This report succinctly asks about why Mexican economic policy requires complete control over energy prices in oil products and electricity. The answer that is suggested is that Mexico suffers from a weak tax system.

9

SAT, JUL 25

Pemex Refinery Selection Process

File **100009**
Pages 3
Charts 0

This report speculates that one result of the delays, confusion and politization of the site selection for a Pemex refinery may be the replacement of the director general of Pemex, Jesús Reyes Heróles. The report names hypothetical replacements, but in this list Juan José Suárez Coppel—who was named the new director general six weeks later was not mentioned. The report also inquires into the feasibility of building and financing a new refinery, given that the option of private investment was nixed in the reform.

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THU, JUL 30

Pemex's 2nd Quarter Earnings Report to Lenders and Bond-holders

File **100010**
Pages 1
Charts 0

This report focuses only on the Q&A sessions, in Spanish and English, of the 2nd Quarter Earnings Call to lenders and bondholders. The report also notes the topics that were not mentioned, including the pending refinery location, Pemex's crude hedging program, or the cancelled PIDIREGAS financing program.

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FRI, JUL 31

Upstream readiness: Is Mexico prepared to follow Brazil & Norway?

File **756**
Pages 9
Charts 5

On July 16, 2009, the Mexican Institute of Competitiveness (IMCO), presented its report on the economy. The presentation to 500 invited guests took the form of a long "virtual dialog" consisting of fragments of interviews with some 40 national figures. The report contained several radical proposals, including 1) opening the upstream to private investment and 2) consideration of a proposal that Mexico should join NATO, 3) gradual legalization of selected drugs.

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MON, AUG 10

Mexico, Brazil, Norway Upstream Readiness Weighed

File **081009**
Pages 3
Charts 2

This article, published in Oil & Gas Journal, presents tables and a summary discussion of the competitiveness variables that bear on a country's "upstream readiness." Mexico is compared with Brazil and Norway, using rankings that were developed by the World Economic Forum. The article draws on the findings presented in MEI Report No. 756 (July 31, 2009).

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WED, AUG 12

Oil Ring Seals from Pemex but Gets Partial Reimbursement from US Government

File **100011**
Pages 1
Charts 1

This report is a critique of the *Wall Street Journal* report published on Aug. 12, 2009, about a smuggling ring that traded in stolen Pemex refined products. The story ends with the statement that the U.S. Government will pay Mexico US\$2.4 million "in restitution" for the oil stolen from Mexico.

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MON, AUG 31

Calderón Presidency at the Half-Way Point

File **100012**
Pages 1
Charts 0

This report, published the day prior to the annual State of the Union Address, briefly notes the accomplishments and shortcomings of the Calderón administration in each of the years 2007, 2008 and 2009.

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TUE, SEP 22

Incremental Steps Toward Greater Pemex Regulation

File **100014**
Pages 2
Charts 0

This report takes note of the new requirement that the SENER establish a National Hydrocarbons Database with four registries. The report offers a skeptical assessment of the benefits to be obtained by such databases or by the requirement that the CRE and CNH carry out on-site inspections.

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SAT, SEP 26

Juan José Suárez Coppel in Pemex: Change Agent?

File **757**

Pages 12

Charts 4

This report examines background and policy agenda behind the unexpected appointment of Juan José Suárez Coppel on Sept. 7, 2009, as director general of Pemex. This report examines the cases against Reyes Heróles and the concerns in circulation about the ability of Suárez Coppel to make a meaningful difference in implementing the reform legislation and in pushing the energy policy agenda of President Calderón.

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WED, OCT 14

President Calderón Liquidates Luz y Fuerza del Centro

File **100015**

Pages 1

Charts 0

This report examines the political background to the decision by President Calderón to close Luz y Fuerza del Centro (LFC), the power company with a 100-year-old, radicalized labor union. Observers speculated that the decision to close the company was, in the background, a decision to attempt to eliminate a radical, anti-government labor union that certainly would have been in the opposition in the 2012 general elections.

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THU, OCT 15

Suárez Coppel Testifies to Congress

File **100016**

Pages 1

Charts 0

This report offers a critique of the testimony given by Juan José Suárez Coppel on Oct. 14, 2009, in his first appearance as director general of Pemex. The report notes that in contrast to his initial comments of Sept. 7, 2009, when he had no positive remarks to make about his predecessor; on Oct. 14 he testified to the Congress that everything in Pemex was in order. There is a link to 50 pages of transcript on the web portal of the Lower House: <http://cronica.diputados.gob.mx>.

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FRI, OCT 30

Pemex's 3rd Quarter 2009 Earnings Report

File **10/30/29**

Pages 1

Charts 0

This report provides the summary operating statistics given in Pemex's 3rd Quarter Earnings Report to lenders and bond-holders. The Pemex speakers were Carlos Morales and Esteban Levín. The report cites their comments in relation to topics such as Chicontepec and Pidiregas.

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TUE, NOV 10

Government Emergency Reaction to Court Ruling in SME Complaint

File **100020**

Pages 1

Charts 0

This report provides highlights of the government's position on the closure of LFC, the state-owned electric utility. An emergency press briefing was held on Sunday, November 8th, in response to a ruling by the Labor Arbitration Board (JFCA). The government depicted the demands of SME, the LFC labor union, as "a judicial adventure ride," and insisted that the collective labor agreement was defunct.

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WED, NOV 25

IEA World Energy Outlook 2009

File **100021**

Pages 1

Charts 0

This report touches on the highlights of a presentation at the Baker Institute of Rice University on Nov. 24, 2009, at which Richard H. Jones, the deputy director of the IEA, presented his institution's World Energy Outlook for 2009. The outlook considered two cases: the Reference Scenario and the 450 Scenario, where the latter refers to the ppm of carbon dioxide in the atmosphere.

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TUE, DEC 1

Houston: Carrefour de l'Or Noir

File **120109**
Pages 1
Charts 0

This article by George Baker appeared in a special issue a Paris-based journal SCIENCES HUMAINES. The edition featured global cities. The article described Houston as the intersection of oil, space and medicine, the common thread of which was requirement for greater data processing. Trimestriel No. 17 (Déc. 2009-Jan.-Fév. 2010), p. 46. L'histoire de Houston est intimement liée a celle de l'industrie pétrolière. . . la ville condense tout ce que la planète peut compter de compagnies pétrolières et gazières. http://www.scienceshumaines.com/houston-carrefour-de-l-or-noir_fr_24612.html

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TUE, DEC 8

Popular Support for the SME vis-à-vis the Calderón Government

File **100022**
Pages 1
Charts 0

This report probes a century of Mexican political narrative to explain the popular support in Mexico for the terminated workers of the SME, the labor union of LFC, the government-closed power utility. The government's justification for the "declaration of war" against the Electricians' Union is questioned in public opinion surveys

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THU, DEC 17

Structural Reform and/or Electoral Strategy: Calderón's Risky Play against the Electricians' Union

File **758**
Pages 15
Charts 16

This report analyzes the foreground and background to the crisis in the labor movement that was provoked by the government's seizure of the installations of Mexico City's power utility and by its orders to liquidate the company and eliminate the jobs of some 44,000 employees.

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WED, DEC 23

From MSCs to Deepwater: The Evolution of Pemex Upstream Contracts

File **759**
Pages 7
Charts 10

This report examines the history and direction of Pemex's upstream contracts, starting with the Multiple Service Contract that was launched in December 2001. The report draws on industry presentations by Pemex through December 2009.

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