

# **Mexico's Natural Gas Trends**

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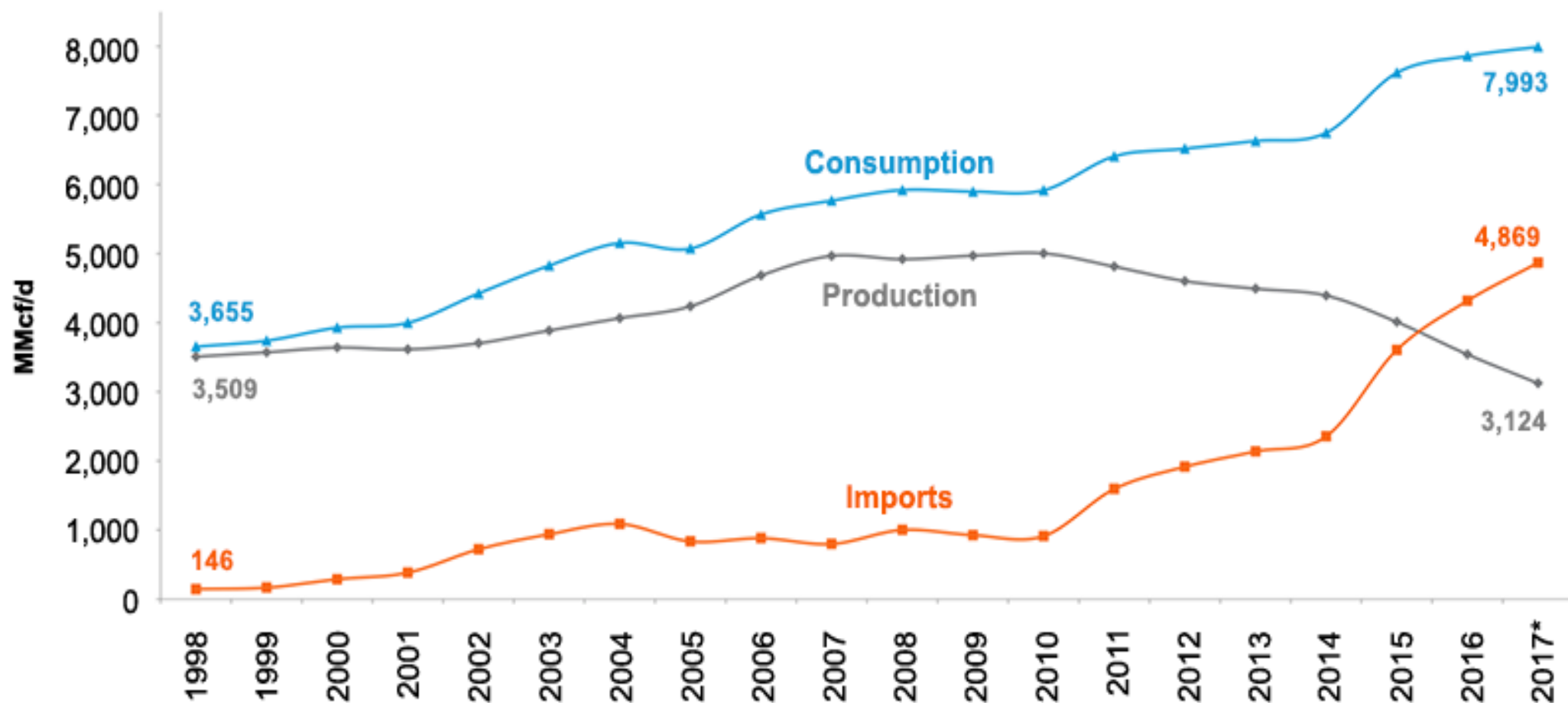
**Fellow, Energy Policy Research Foundation, Inc.**

# Energy Reform

- A brief history of PEMEX
- The passing of the energy reform
- Objectives of the energy reform:
  - Transform the natural gas model to enhance energy security
  - Promote infrastructure development
  - Open access to producers and users and provide for competitive gas pricing mechanisms



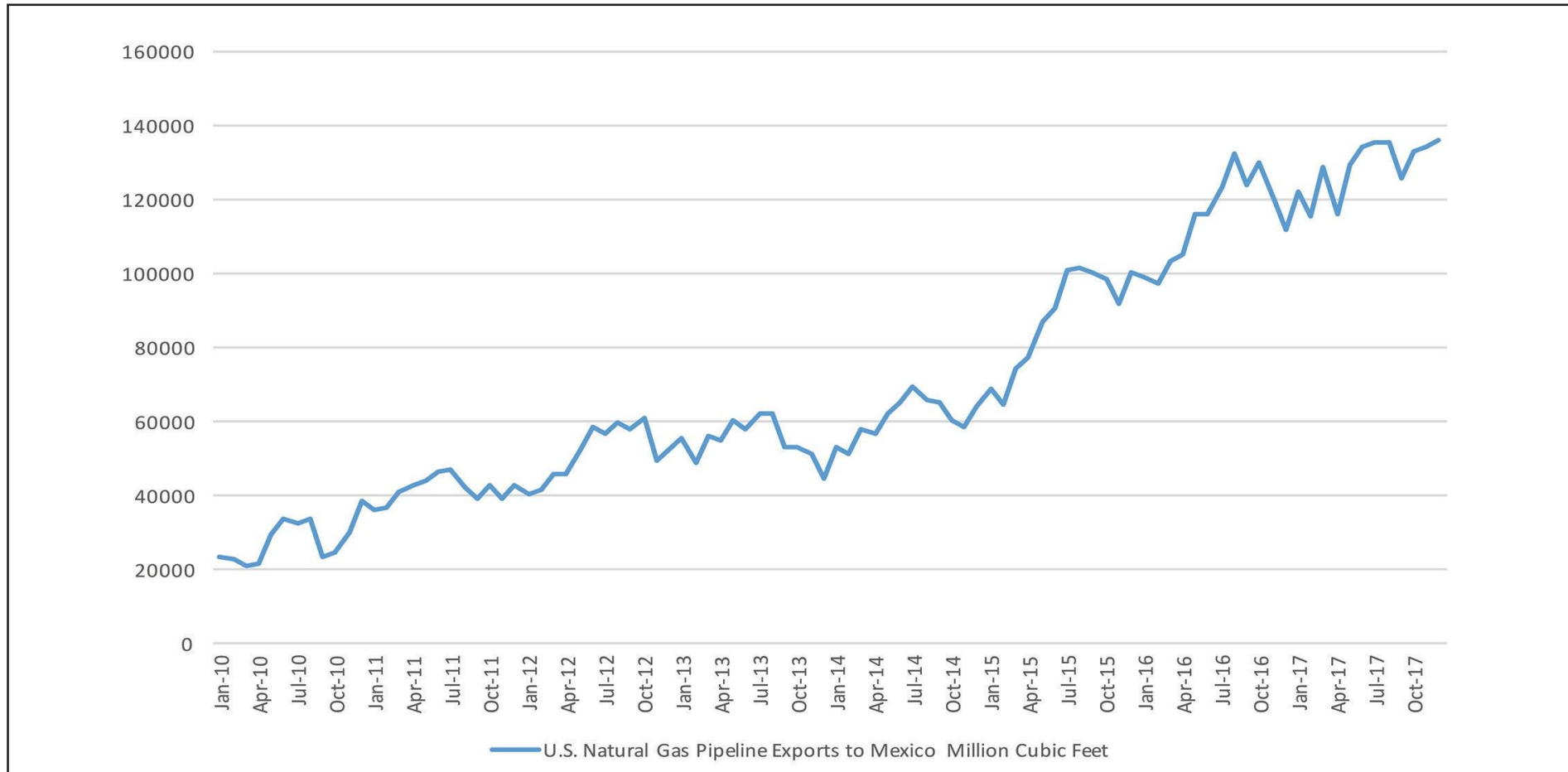
## Annual Mexico Consumption, Production & Imports of Natural Gas, 1998–2017\*



\*Through October 2017.

Source: Sener - Prontuario Estadístico Diciembre 2017

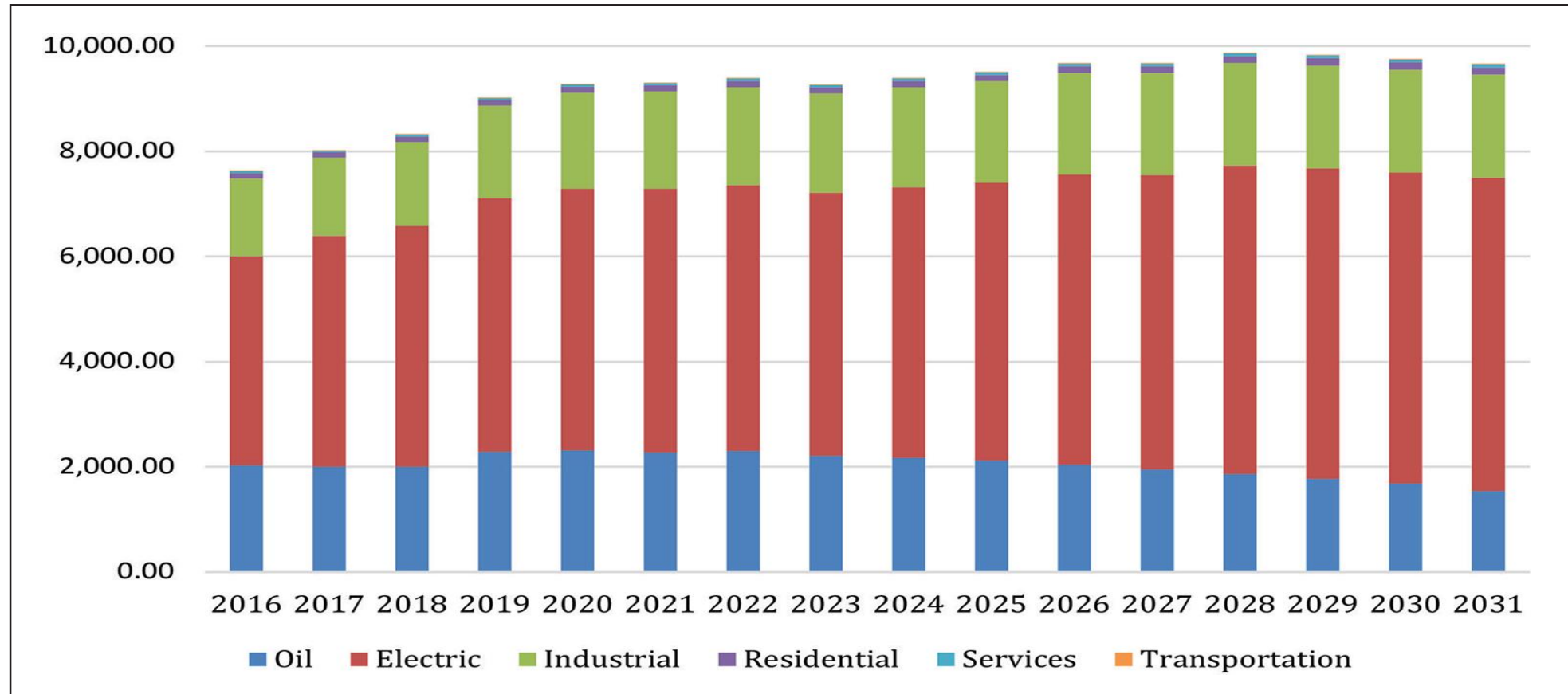
# Monthly U.S. Natural Gas Pipeline Exports to Mexico (Million Cubic Feet)



Source: Data from EIA



# Natural Gas Demand by Sector, 2016-2031 (MMcf/d)

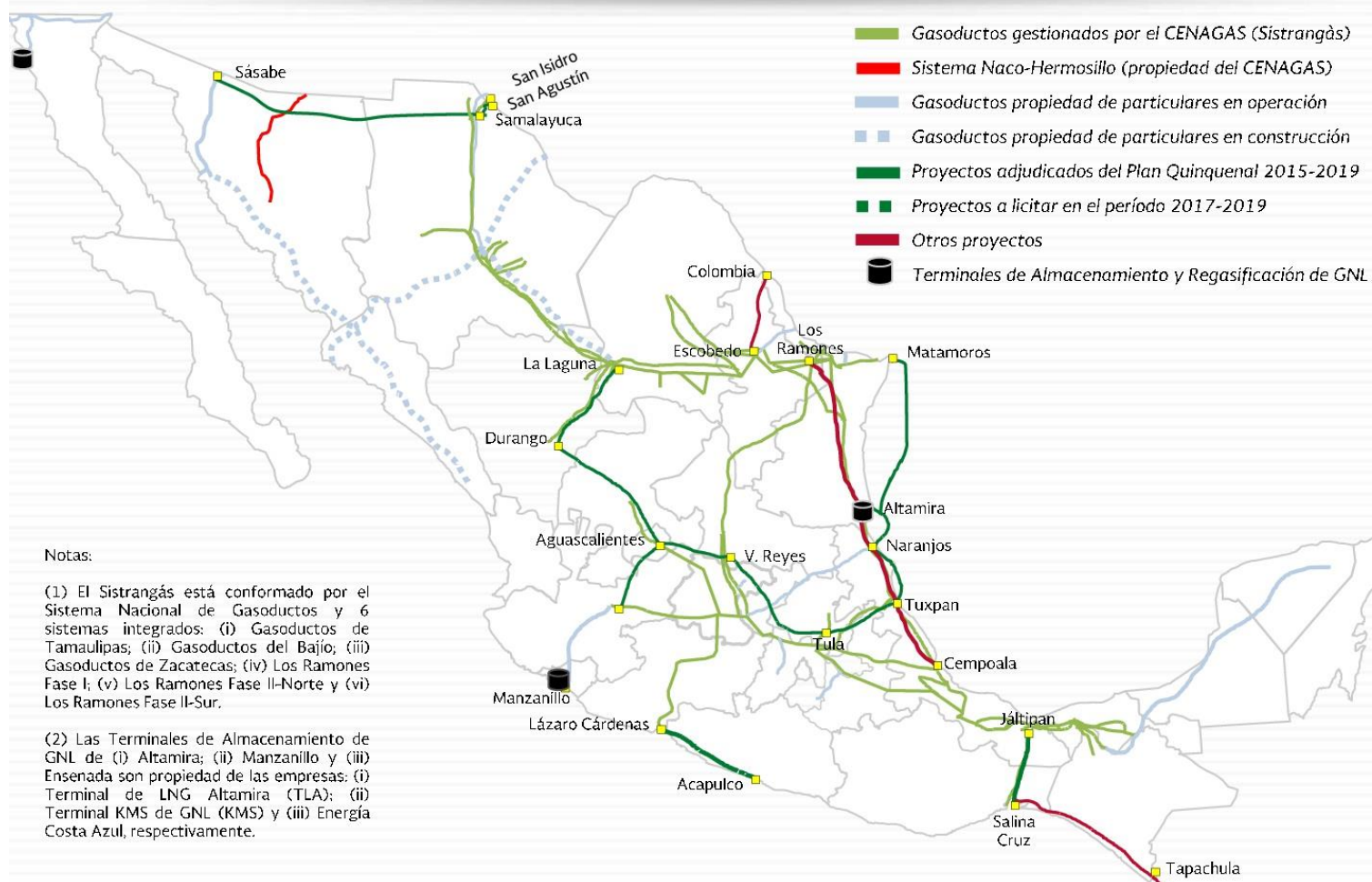


Source: Data from SENER Prospectiva de Gas Natural 2017-2031

# Mexico's natural gas pipeline build-out



## PRIMERA REVISIÓN ANUAL DEL PLAN QUINQUENAL DE EXPANSIÓN DEL SISTRANGÁS 2015-2019



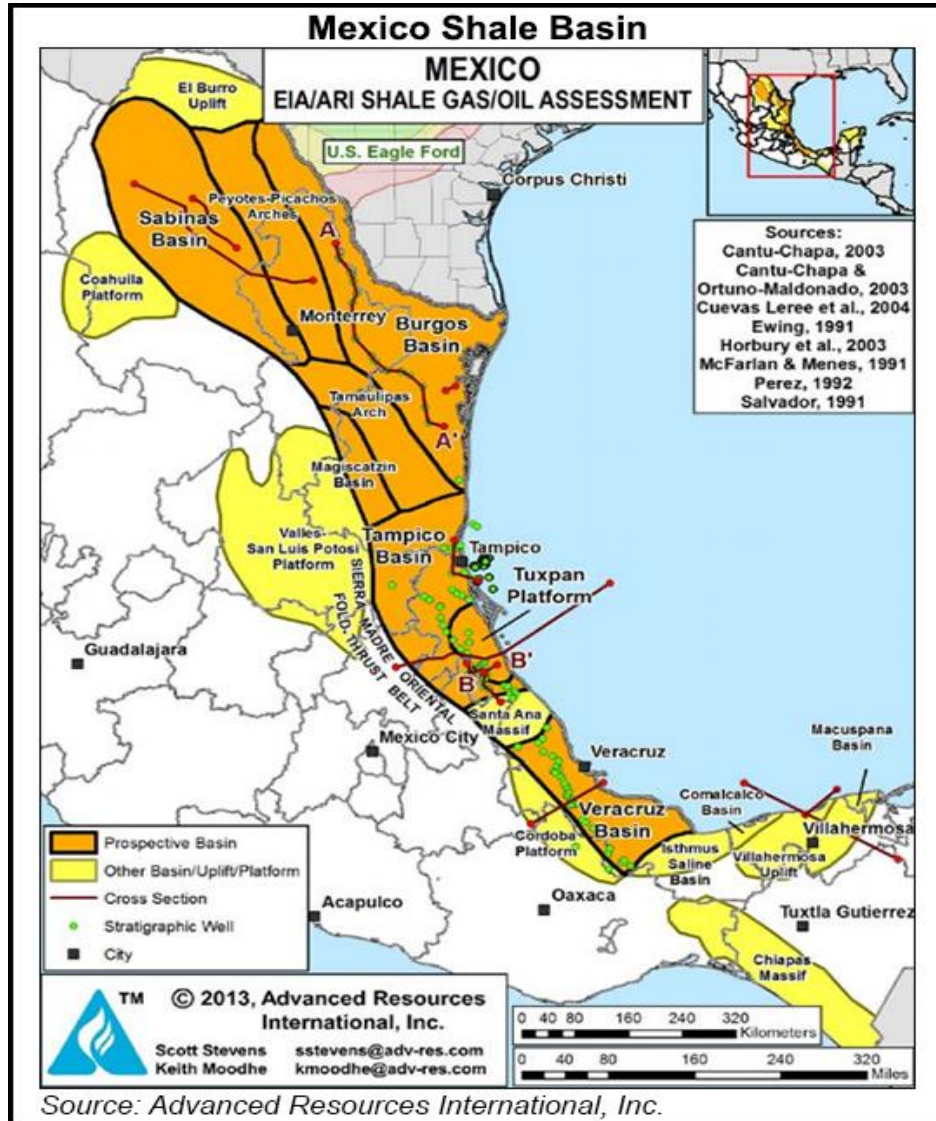
# Key risks facing Mexico's natural gas projects:

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- Increased state control over Pemex and CFE.
- Uncertainty over the development of oil and gas resources.
- Potential cut in U.S. gas imports.
- Natural gas supply disruptions and electricity shortages.

# Key opportunities in Mexico's natural gas projects:



- Liberalized energy sector.
- Abundant natural gas resources with an estimated 545 trillion cubic feet of technically recoverable shale gas.
- Growing natural gas demand in the electricity sector.
- Need for additional natural gas infrastructure (storage, pipelines etc.)
- Geographic proximity to the U.S. and logistics.