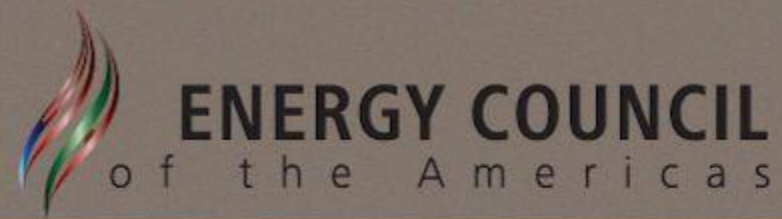


*Exploring Opportunities Together*  
*Explorando Oportunidades Juntos*



# ENERGY COUNCIL of the Americas

*Exploring Opportunities Together*  
*Explorando Oportunidades Juntos*

Nelson H. Balido, Chairman and CEO  
**Infocast - Houston**  
**November 2014**







The Energy Council of the Americas (ECOTA) is the leading bi-national nonprofit organization comprised of public and private entities dedicated to the advancement of energy education in oil, natural gas and power generation markets in the U.S. and Mexico.

# Mexico's Energy Contracting Arrangements

Four different contractual arrangements have been introduced :

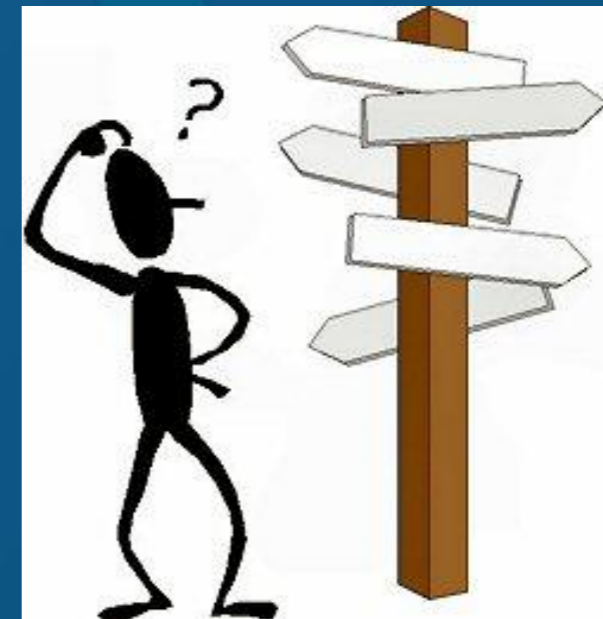
1. Service Contracts, with a cash compensation
2. Profit Sharing Contracts, with a compensation based on a percentage of profit
3. Production Sharing Contracts, with a compensation based on a percentage of production
4. License Contracts, with a compensation through licensing in return for payment for hydrocarbons extracted from subsoil.

The constitutional amendment and the Hydrocarbons Law also include a fifth alternative allowing **“any combination of the aforementioned contracts”**.



## U.S. Company Concerns about Investing in Mexico's Energy Reform

1. Simply Confused
2. Who do they trust?
3. Where can they go for information?
4. Security
5. Cultural Differences







# Mexico Snapshot

**Population:** 115 Million

**Unemployment:** 5.1%

**Inflation:** 3.5%

**Exports:** \$320 billion (2011) (81% US)

**Imports:** \$351 billion (2011) (50% US)

**FDI:** \$19.44 billion (2011) (9.7% increase)

**GDP per capita:** \$10,153

- World's 12 largest economy
- 3.8 real GDP growth (2011)
- Higher GDP growth rate than Brazil





## Como Ayudamos

1. Establish relations between public and private sector
2. Educate companies and citizens of the U.S. and Mexico about certain issues that will affect them in the short and long term such as:
  - Quality of life programs
  - The environment
  - Security situation
  - Community engagement and social programs
  - Economic competitiveness and cooperation through improved understanding of bicultural issues
3. Represent members in front of regulating authorities
4. Lead the discussion in the field of Mexico's Energy Opportunity through continuous Thought Leadership in the media



Somos un Organismo que Establecemos Puentes





# What's at stake when we're talking trade?



**\$506B**



**\$632B**

***Over 550,000+ border crossings per day***

Source : USTR Website (2013)





# Routes to the U.S.





# Public-Private Partnerships Offer New Way Forward?

**P3s offer innovative way of engaging private sector, local communities in border infrastructure, staff enhancement, and technology innovations.**

- ***Staffing fee reimbursable agreements - 5***





# Secure Trade Corridors

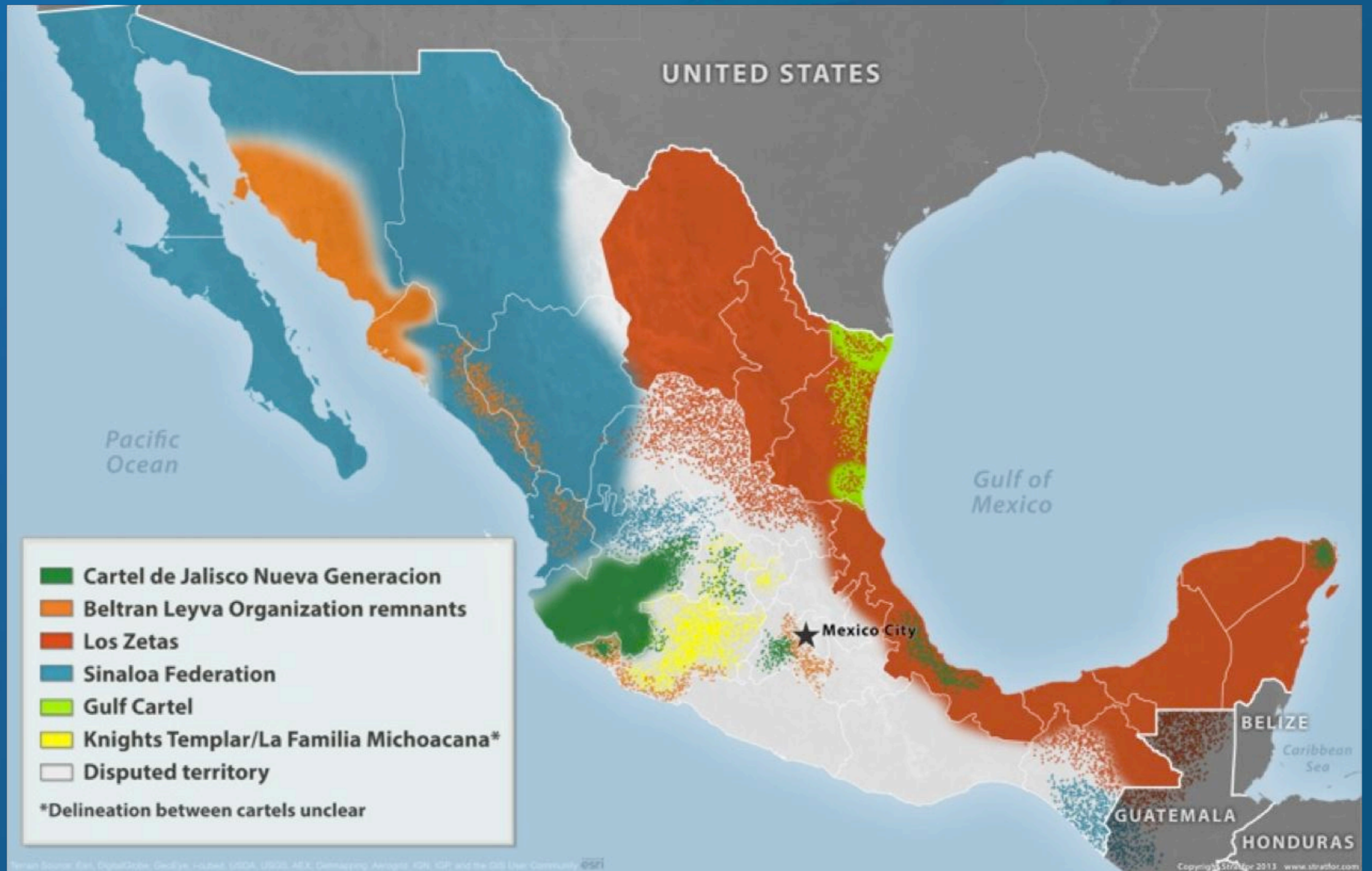
The next step in safety, security, and assurance in just in time delivery of goods and services using preemptive real-time intelligence.







# Cartels – Areas of Influence









## Porque Existimos?

1. Para garantizar que la Reforma en México está en el mejor interés del pueblo de México mientras asegurándonos que las empresas reciben un trato justo.
2. Asegúrese de que las políticas ambientales de sentido común se pongan en marcha.
3. Conectar las empresas en los Estados Unidos a las empresas en México y viseversa.
4. Vinculación del sector privado con el sector público
5. **Mejorar la calidad de vida del pueblo Mexicano que es afectado por el sector energético.**





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