Alberta Government

Energy Sector Transformation in Mexico and New Opportunities for Alberta

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Energy Sector Transformation in Mexico and New Opportunities for Alberta

Agenda

1. Energy Sector Transformation – a big picture view
2. Alberta's multifaceted energy relationship with Mexico
3. Role and Services provided by Alberta Mexico Office
4. Doing business in Mexico – some general advice

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The Bigger Picture

- ❑ Pact for Mexico – December 2012: Commitment to political and economic reforms
- ❑ Steep decline in oil production since early 2000's
- ❑ Energy: Constitutional reform in December 2013, implementing laws in 2014
- ❑ Round 1.4: the game changer in upstream
- ❑ Can the reform be reversed?
  - ✓ Popular support
  - ✓ NAFTA ?
  - ✓ 2018 election?

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Alberta and Mexico in Energy

1. Government and Regulators

- **First MOU SENER – AB Energy in 2007**
- **New MOU in September 2016 – 3 areas of cooperation**
  - Climate change, emissions reduction, energy efficiency
  - Capacity development, including regulator to regulator
  - Increase trade and investment, including business missions

- **AER and CNH MOU in 2014**
  - Numerous visits and information exchange
  - March 2017: ICORE announcement at Universidad Panamericana

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Alberta and Mexico in Energy

2. Academia

- ❑ **March 2017: UAlberta funding announcement (212 million pesos from SENER/Conacyt for research and capacity building)**

- ❑ **April 2017: UCalgary funding announcement (646 million pesos from SENER/Conacyt for research and capacity building)**

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Alberta and Mexico in Energy

3. Trade and Investment

- ❑Investment in midstream: TransCanada, ATCO
- ❑Investment in upstream: International Frontier Resources, Canacol Energy
- ❑New export opportunities for solutions from Alberta

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Alberta Mexico Office

- Opened in 2002
- 4 staff in Mexico City and Guadalajara
- Integrated into EDT, focused on trade and investment
- Co-located with GAC, promoting Alberta's interests

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Alberta Mexico Office

- **Support for export-ready Alberta companies**
  - Relevant market intelligence
  - Advice on market entry strategies, including missions
  - Key in-market contact introductions

- **Support for Mexican companies**
  - Work with EDT to source solutions from Alberta
  - Work with Invest Alberta on investment opportunities in Alberta

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Alberta Mexico Office

- **Areas of focus**
  - Oil and Gas equipment and services exporters
    - ✓ Mature Fields (February 2017)
    - ✓ Midstream (September 2017)

- **Sector diversification**
  - Alberta-Jalisco Technology Partnership
  - Aerospace and related services

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Doing Business in Mexico

- ❑Mexico is close geographically
- ❑Mexico is close economically and politically (NAFTA)
- ❑Mexico is (reasonably) close culturally
- ❑Mexicans love Canada
- ❑Canadians love Mexico
- ❑Many Mexican business people have spent time abroad and speak fluent English
- ❑Mexico is open for business with the world
- ❑Mexico wants foreign know-how
- ❑But Mexico is also still different

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Doing Business in Mexico

- ❑Importance of investing time in personal relationships (low trust culture)
- ❑Make full use of services available in market (AMO)
- ❑Importance of choosing (the right) local partner
- ❑Both informal (long meals, family talk) and formal (status conscious) at the same time
- ❑They may not say “no”
- ❑Show interest in culture and language
- ❑Stick to your corporate values
- ❑Be mindful of personal security

Alberta

¡GRACIAS!

¿PREGUNTAS?