

THE FUTURE OF OIL IN MEXICO

/ EL FUTURO DEL SECTOR PETROLERO EN MÉXICO



Friday, April 29, 2011

Conference — 10:00 am

Lunch — 2:30 pm

JW Marriott Polanco

Mexico City



JAMES A. BAKER III
INSTITUTE FOR
PUBLIC POLICY
RICE UNIVERSITY



THE FUTURE OF OIL IN MEXICO

/ EL FUTURO DEL SECTOR PETROLERO EN MÉXICO

About the Conference

The energy industry plays an important role in the Mexican economy, and the Mexican government relies on the oil industry for 40 percent of total government revenues. However, Mexico's oil production has fallen in recent years, and the country's energy industry is vulnerable to global trends as oil price volatility and turmoil in the Middle East pose new risks to the global economy. Without significant future investment, Mexico risks becoming a net importer of oil in the coming decades. "The Future of Oil in Mexico" brings together international scholars and prominent Mexican energy industry analysts and officials to discuss the global oil market and the way forward for the oil industry in Mexico. At this high-level roundtable, findings from a joint Baker Institute/Oxford University research study will be publicly released. This study includes papers on economic and oil revenue distribution issues in Mexico, the Mexican oil industry and the effect of oil on the U.S.-Mexico bilateral relationship.

To download "The Future of Oil in Mexico/El futuro del sector petrolero en México" energy study working papers, visit the Baker Institute Energy Forum website at <http://www.bakerinstitute.org/energy-forum/publications/mexico-oil-2011>.

Organizing Partners

Mexican Council on Foreign Relations (COMEXI)

The Mexican Council on Foreign Relations (COMEXI) is the first pluralistic and multidisciplinary forum dedicated to analyzing and debating Mexico's role in international politics, as well as how global events influence the nation. The council is a civil, nonprofit, nongovernmental association financed exclusively by membership fees and corporate support. Its primary goal is to build a framework in which international issues can be discussed thoroughly, providing individuals with information to make more accurate strategic choices.

COMEXI has three programs adapted to its members: the Corporate Program, designed for the business community; the Institutional Program, geared toward foreign diplomats in Mexico, international organizations with Mexican offices, and research institutions; and the Term-Member Program, created to support young associates and rising leaders.

The council produces numerous research papers on relevant topics and collaborates with other organizations on projects, such as the "Mexico and the World 2006" report, completed in partnership with the Center for Research and Teaching in the Social Sciences (CIDE) and The Chicago Council on Global Affairs. The council also participates in conferences, studies and working groups abroad. It has formed alliances with key regional and international organizations in the United States, Latin America and Asia.

The high level of COMEXI's debates, in a mutually respectful and open setting, has made it an important forum for international personalities that visit our country. At the same time, this discussion has allowed the council to gain recognition as an opinion leader in foreign affairs and global issues.

THE FUTURE OF OIL IN MEXICO

/ EL FUTURO DEL SECTOR PETROLERO EN MÉXICO

Organizing Partners (continued)

Baker Institute Energy Forum

The Baker Institute Energy Forum is a multifaceted center that promotes original, forward-looking discussion and research on the energy-related challenges facing our society in the 21st century. The mission of the Energy Forum is to promote the development of informed and realistic public policy choices in the energy area by educating policymakers and the public about important trends — both regional and global — that shape the nature of global energy markets and influence the quantity and security of vital supplies needed to fuel world economic growth and prosperity.

The forum is one of several major foreign policy programs at the James A. Baker III Institute for Public Policy at Rice University. The mission of the Baker Institute is to help bridge the gap between the theory and practice of public policy by drawing together experts from academia, government, the media, business and nongovernmental organizations. By involving both policymakers and scholars, the institute seeks to improve the debate on selected public policy issues and make a difference in the formulation, implementation and evaluation of public policy.

Latin American Initiative

The mission of the Latin American Initiative at the Baker Institute is to provide a forum that fosters a better understanding of the cultures, economies, histories and contemporary affairs of past and present Latin America. Through its main programs — the Americas Project, the U.S.-Mexico Border Program and the Vecinos Lecture Series — the Latin American Initiative brings together leading stakeholders from government, the private sector, academia and civil society to exchange their views on pressing issues confronting the region. Additionally, this initiative sponsors research, publications and regular forums addressing social, political and economic aspects of the hemisphere, as well as of the relationships between Latin American countries.

Mexican Studies Programme at Nuffield College, University of Oxford

Since its establishment in 2002, Oxford's Mexican Studies Programme has conducted research and promoted graduate teaching in Mexico's external relations; democratization and the functioning of democratic institutions in Mexico; and on various Mexican public policy issues, including economic and energy policies.

THE FUTURE OF OIL IN MEXICO

/ EL FUTURO DEL SECTOR PETROLERO EN MÉXICO

Conference Agenda — Friday, April 29, 2011

- 9:30 am Participant Registration
- 10:00 am Opening Remarks
Ambassador Enrique Berruga
President, COMEXI
- 10:15 am **Session 1: Global Oil Situation**
Global Oil Market Trends
Edward L. Morse
Commodities and Financial Analyst
Conflict in the Middle East and Oil
Amy Myers Jaffe
Wallace S. Wilson Fellow in Energy Studies, James A. Baker III Institute for Public Policy
Industry Strategies in Turbulent Times
Alejandro Alcoverro
Managing Director of Resources, Accenture Mexico
Commentary
Lourdes Melgar
Director of the Center for Sustainability and Business, EGADE Business School
Question and Answer Session
- 11:30 am **Session 2: Distribution of Oil Profits in Mexico**
Paul Segal
Lecturer in Economics, University of Sussex
Commentary
Francisco Suárez Dávila
Vice President, COMEXI
Question and Answer Session
- 12:10 pm Coffee Break
- 12:20 pm **Session 3: The Impact of Oil on the U.S. Economy**
James D. Hamilton
Professor of Economics, University of California, San Diego
Commentary
Miriam Grunstein
Professor and Researcher, CIDE
Question and Answer Session

THE FUTURE OF OIL IN MEXICO

/ EL FUTURO DEL SECTOR PETROLERO EN MÉXICO

Conference Agenda (continued)

- 1:15 pm **Presentation of the Study**
- Laurence Whitehead**
Director, Mexican Studies Programme, University of Oxford
- David R. Mares**
Baker Institute Scholar for Latin American Energy Studies,
James A. Baker III Institute for Public Policy
- Commentary
- Gerardo Gil**
President, Mexican Chapter of the Club of Rome
- Question and Answer Session
- 2:10 pm Coffee Break
- 2:30 pm **Lunch**
- Keynote
- Juan José Suárez Coppel**
Director General, Pemex
- Moderator
- Ambassador Enrique Berruga**
President, COMEXI
- 4:00 pm Closing

THE FUTURE OF OIL IN MEXICO

/ EL FUTURO DEL SECTOR PETROLERO EN MÉXICO

Participant Biographies

Alejandro Alcoverro is the managing director of resources for Accenture Mexico. He is responsible for Accenture's energy, chemicals, natural resources and utilities business. As a member of the company's Latin America leadership team, he is responsible for developing and delivering Accenture's services to the energy industry throughout the region. Alcoverro joined Accenture in Buenos Aires in 1985 and has worked extensively with companies in the oil and gas industry, as well as in chemicals. He has experience with large business transformation programs for clients in Latin America, Africa and the United States. Alcoverro graduated with a degree in accounting from the Universidad de Buenos Aires in 1983.

Ambassador Enrique Berruga is the president of the Mexican Council on Foreign Relations (COMEXI). He previously served as vice president of corporate relations and communication for Grupo Modelo. In the course of his diplomatic career, he served as permanent representative of Mexico to the United Nations, ambassador of Mexico to Costa Rica and personal representative of the president of Mexico to the United Nations Reform Process. He also worked in the Mexican embassies in Ireland, the United States and Great Britain. In the Ministry of Foreign Affairs, Berruga has served as deputy minister of foreign affairs, general coordinator of advisers to the minister, and secretary-general of the Mexican Commission for the United Nations Educational, Scientific and Cultural Organization (UNESCO). He was also the executive director of the Mexican Institute for International Cooperation and director general of international relations in the Mexican Ministry of Education. He is a board member of the International Peace Academy and has been decorated by the governments of Germany, Spain, Japan, Panama and Sweden. In the academic field, Berruga has been a professor of Mexican foreign policy, U.S. foreign policy and international political theory at the Instituto Tecnológico Autónomo de México (ITAM). He received his B.A. in international relations from El Colegio de México and his master's degree in international economy and theories of international relations at Johns Hopkins University.

Gerardo Gil is the president of the Mexican Chapter of the Club of Rome. He also serves as director general for planning and analysis at the Mexican National Commission for Human Rights. He has been director general of Mexpetrol and Latinequip, as well as an official at NAFINSA, the development bank in Mexico. Gil also was a professor at the National University of Mexico (UNAM) and is the author of several publications on law and finance. He received his B.A. in law at UNAM.

Miriam Grunstein, Ph.D., is a professor and researcher at the Center for Research and Teaching in the Social Sciences (CIDE). Her main areas of study focus on the energy sector. She is the author of several national and international publications and has participated in both national and international forums. She is also a professor of energy law at the Instituto Tecnológico Autónomo de México (ITAM). In her career in the energy sector, Grunstein has served as adviser at the Mexican Commission on Energy Regulation (CRE), where she was part of important working groups on the legal analysis of energy, the creation of regulatory norms for large-scale energy projects and resolutions mechanisms within the CRE. In the private sector, she has been a legal adviser for several large-scale projects. Grunstein completed her B.A. in law at ITAM and her B.A. in Latin American studies at The University of New Mexico. She received her master's degree and Ph.D. from the Graduate School of Arts and Sciences at New York University.

THE FUTURE OF OIL IN MEXICO

/ EL FUTURO DEL SECTOR PETROLERO EN MÉXICO

Participant Biographies (continued)

James D. Hamilton, Ph.D., is a professor in the Economics Department at the University of California, San Diego, where he served as department chair from 1999 to 2002. He previously taught at the University of Virginia. Hamilton has published articles on a wide range of topics, including econometrics, business cycles, monetary policy and energy markets. His graduate textbook on time series analysis has almost 10,000 scholarly citations and has been translated into Chinese, Japanese and Italian. Hamilton's academic honors include election as a fellow of the Econometric Society and research associate with the National Bureau of Economic Research. He has been a visiting scholar at the Federal Reserve Board in Washington, D.C., as well as the Federal Reserve Banks of Atlanta, Boston, New York and San Francisco. He has also been a consultant for the National Academy of Sciences, Commodity Futures Trading Commission and the European Central Bank and has testified before U.S. Congress. Hamilton received his Ph.D. in economics from the University of California, Berkeley, in 1983.

Amy Myers Jaffe is the Wallace S. Wilson Fellow in Energy Studies and director of the Energy Forum at the James A. Baker III Institute for Public Policy, as well as associate director of the Rice Energy Program. Jaffe's research focuses on oil geopolitics, strategic energy policy including energy science policy, and energy economics. Jaffe was formerly senior editor and Middle East analyst for Petroleum Intelligence Weekly. She is widely published and served as co-editor of "Energy in the Caspian Region: Present and Future" (Palgrave, 2002) and "Natural Gas and Geopolitics: From 1970 to 2040" (Cambridge University Press, 2006), and as co-author of "Oil, Dollars, Debt and Crises: The Global Curse of Black Gold" with Mahmoud A. El-Gamal (Cambridge University Press, 2010). Jaffe also contributed to Foreign Policy's "21 Solutions to Save the World" (May/June 2007). She served as a member of the reconstruction and economy working group of the Baker/Hamilton Iraq Study Group, as project director for the Baker Institute/Council on Foreign Relations Task Force on Strategic Energy Policy, and as a principal adviser to USAID's project on "Options for Developing a Long Term Sustainable Iraqi Oil Industry." She currently serves as a strategic adviser to the American Automobile Association (AAA) of the United States and is a member of the Council on Foreign Relations. Jaffe was among the Key Women in Energy-Americas honorees in the Pathfinders/Trailblazers category (2004), the honoree for Esquire's annual 100 Best and Brightest in the contribution to society category (2005), Elle magazine's Women for the Environment (2006), and was named to Who's Who in America (2008). Jaffe is a Princeton University graduate with a degree in Arabic studies.

David R. Mares, Ph.D., is the Baker Institute Scholar for Latin American Energy Studies. He also is a professor of political science and adjunct professor at the School of International Relations and Pacific Studies at the University of California, San Diego, where he serves as director of the Center for Iberian and Latin American Studies and holds the Institute of the Americas Chair for Inter-American Affairs. Mares was previously profesor-investigador at El Colegio de México, Fulbright Professor at the Universidad de Chile and visiting professor at the Diplomatic Academy in Ecuador. He has been a visiting scholar at the Weatherhead Center for International Affairs, Harvard University; a fellow at the Japan External Trade Research Organization (JETRO); a fellow at the Center for Advanced Study in the Behavioral Sciences (CASBS), Stanford University; and held a Pew Faculty Fellowship in International Affairs. His research and teaching interests include Latin American energy politics, the political economy of drug policy, defense policy, civil-military relations and the use of photographic imagery in politics. Mares has published books and articles in numerous journals in the Americas and Europe. He is editor of the series "Latin America: Social Sciences and the Law" (Routledge Press) and was a member of the international advisory board of the Instituto Latinoamericano de Relaciones Civiles-Militares (Peru), as well as of the editorial board of Latin American Research Review. He is a member of the International Institute for Strategic Studies (United Kingdom), an associate fellow of the Inter-American Dialogue (United States), a fellow of the academic forum of the Summit of the Americas (Canada) and a member of the Tri-national Academic Group on Governance in North America (Mexico). Mares earned his Ph.D. from Harvard University.

THE FUTURE OF OIL IN MEXICO

/ EL FUTURO DEL SECTOR PETROLERO EN MÉXICO

Participant Biographies (continued)

Lourdes Melgar, Ph.D., is the director of the Center for Sustainability and Business at the EGADE Business School in Mexico. She is also a board member of the Mexican Council on Foreign Relations (COMEXI), as well as an independent consultant on energy issues. Between 1993 and 2007, Melgar held various positions within Mexican diplomacy, most recently serving as the minister of the Permanent Mission of Mexico to the Organisation for Economic Co-operation and Development. From 1998 to 2002, she was director general of international affairs at the Mexican Ministry of Energy. She is a member of the Network for Energy Transition, the Energy Policy Colloquium and the Mexico Chapter of the International Women's Forum. Melgar is the author of several articles on energy security, the problem of transboundary reservoirs, and on climate change and energy transition. She has been a visiting professor at the Instituto Tecnológico Autónomo de México (ITAM) and the Instituto Tecnológico y de Estudios Superiores de Monterrey (ITESM), as well as a researcher at the Woodrow Wilson International Center for Scholars and The University of Texas at Austin's Center for International Energy and Environmental Policy. Melgar completed her B.A. in international relations and comparative literature at Mount Holyoke College and the Institute of Political Studies in Paris. She received her master's and doctorate degrees in political science with a specialization in political economy at the Massachusetts Institute of Technology.

Edward L. Morse, Ph.D., a commodities and financial analyst, is a leading commentator on oil commodity markets and frequent contributor to Foreign Affairs, The Financial Times, The New York Times and The Washington Post on the subject of strategic energy policy. A former faculty member at Princeton University, Morse also worked in the U.S. State Department. He later served as an adviser to the United Nations Compensation Commission on Iraq, as well as to the U.S. Departments of State, Energy and Defense, and to the International Energy Agency on issues related to oil, natural gas and the impact of financial flows on energy prices. He has worked as a managing director for global commodities at several Wall Street firms and will join Citigroup as its managing director and head of commodities research in May 2011. Widely cited in the media and author of numerous books and articles on energy, economics and international affairs, Morse was the publisher of Petroleum Intelligence Weekly and other trade periodicals and also worked at Hess Energy Trading Co. He earned his Ph.D. from Princeton University in 1969.

Paul Segal, D.Phil., is a lecturer in economics at the University of Sussex. He has been a research fellow at Harvard University, a consultant economist at the United Nations Development Programme and a research fellow at the Oxford Institute for Energy Studies, where he continues to serve as a visiting senior research fellow. His research follows two themes: global inequality and poverty, and the economics of resource-rich countries. The two themes overlap in his work on the distribution of resource revenues and their role in poverty reduction. Segal occasionally writes policy articles for FT.com, the website of The Financial Times, as well as the Guardian website. He completed his doctorate degree at Nuffield College, University of Oxford, in 2006.

THE FUTURE OF OIL IN MEXICO

/ EL FUTURO DEL SECTOR PETROLERO EN MÉXICO

Participant Biographies (continued)

Juan José Suárez Coppel, Ph.D., is the director general of Petróleos Mexicanos (Pemex). During his career, Suárez Coppel has held different positions in both the public and private sector. He served as chief adviser to the Ministry of Finance and as chief financial officer at Pemex. He also served as vice president of finance at Grupo Modelo and as the adjunct director of derivatives for Banamex. He lectured in economics at the Instituto Tecnológico Autónomo de México (ITAM) and the Universidad Autónoma de Barcelona, as well as at Brown University in Providence, R.I. Suárez Coppel earned a bachelor's degree in economics from ITAM and a Ph.D. from The University of Chicago.

Francisco Suárez Dávila is the vice president of the Mexican Council on Foreign Relations (COMEXI) and counsel to several institutions. He has served as ambassador of Mexico to the Organisation for Economic Co-operation and Development and representative of Mexico to the International Monetary Fund. During his career in government, Suárez has served as deputy minister of finance and public credit, financial manager of NAFINSA, manager of international affairs at the Bank of Mexico and director general of SOMEX Bank. He also was a federal representative, acting as president of the Finance and Public Credit Commission. Suárez has been a professor at Universidad Iberoamericana, El Colegio de México and the National University of Mexico (UNAM), where he was named president of the university's board of trustees. He is author of several publications in specialized magazines on finance and the economy and has been a columnist in the newspapers Excelsior and El Universal. Suárez received his B.A. in law at UNAM and his master's degree in economics at the University of Cambridge.

Laurence Whitehead is the director of the Mexican Studies Programme at the University of Oxford. He is also an official fellow in politics at Nuffield College and this year's senior proctor at Oxford. Whitehead lectures on comparative democratization and the international relations of Latin America at the Latin American Centre at Oxford. Previously, he was acting program director at the Center for U.S.-Mexico Studies of the University of California, San Diego. Among his special interests are U.S. relations and European relations with Latin America and current processes of democratization. In 2002, Whitehead held the Alfonso Reyes Visiting Professorship at the Institut des Hautes Etudes d'Amérique Latine in Paris and he is currently president of the Conseil Scientifique of the Institut des Amériques in Paris. The author of numerous articles, his most recent books include "Latin America: A New Interpretation" (Palgrave, second revised edition, 2009) and "Democratization: Theory and Experience" (Oxford University Press, 2002). Whitehead has also edited "¿Somos especiales? México, Gran Bretaña y EUA" (Porrúa, 2006) with Rafael Fernandez de Castro and Natalia Saltalamacchia; "Obama y Las Américas: Esperanza o Decepción?" (Planeta, 2010) with Abraham F. Lowenthal and Theodore J. Piccone; "The Obama Administration and the Americas" (Brookings Press, 2009) with Lowenthal and Piccone; and "Emerging Market Democracies: East Asia and Latin America" (Johns Hopkins University Press, 2002). He is the editor of the Oxford University Press book series "Oxford Studies in Democratization." Whitehead received his bachelor's and master's degrees in philosophy, politics and economics from the University of Oxford.