



U.S. - Mexico at a Glance

Energy

May 2011

Petroleos Mexicanos (Pemex), the state-owned Oil and Gas Company, is by law responsible for all domestic hydrocarbon exploration and drilling.

In 2010, Mexico imported 47% of its gasoline from the U.S.

The United States' major suppliers of oil for 2010 were Canada (2,515 tbd), Mexico (1,272), Saudi Arabia (1,094) and Venezuela (993).

Pemex's crude oil production has steadily declined since 2005, and it has gone from being the sixth-largest oil company worldwide in terms of production in 2004 to eleventh place in 2009.

Mexico and the United States have formed a *Cross-Border Electricity Task Force* to promote increased electricity exchange and cooperation in the border region.

The energy relationship between Mexico and the United States is key for both countries' economies. Mexico is currently the U.S.'s second-largest oil supplier; it supplied just over 9% of total U.S. hydrocarbon imports in 2009. Mexican hydrocarbon exports currently fund more than 30% of the overall Mexican federal budget. The United States, in turn, increasingly exports refined gasoline and natural gas to Mexico.

- Pemex has designed new "incentive contracts" which will allow private oil firms to bid on exploration and drilling operations in specific oil fields. Pemex plans to issue the first tenders for three mature fields in February, and ultimately for deep water exploration and drilling. Pemex plans to award contracts for the mature fields by the end of 2011.

Mexico has excellent solar, wind, biomass and geothermal potential.

- According to the Mexican Competitiveness Institute (IMCO), Mexico could potentially generate up to 44,000 megawatts (MW) of electricity from wind; it currently has 170 MW of wind power but capacity is set to increase to 582 MW by the end of 2011.
- Private companies may bid on CFE-tendered renewable construction projects and may build independent facilities to supply electricity to private firms, institutions or municipalities.
- Wind and geothermal projects in Mexico already supply electricity for markets in California and more such renewable projects are planned to help California meet its goal of generating 33% of its electricity from renewable sources by 2020.

Mexico is also taking significant steps towards energy conservation, including:

- Its "green mortgage" program to provide energy-efficient housing for lower-income families;
- Programs to subsidize replacement of appliances such as refrigerators with more energy-efficient models;
- A commitment to phase out incandescent light bulbs by 2014.
- Mexico is also working to implement "smart grid" programs and has committed to phasing out subsidies on gasoline and diesel fuel by 2012.

Mexico's Production of Crude Oil
(Thousand Barrels Per Day)

