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Country: Mexico

Institution: Indian School Al Ghubra

Topic: solving the oligopoly problem in the international petroleum market and reducing

Embargoes.

Mexico is one of the largest oil producers in the world with 1.6 million barrels produced daily in 2022. Oil is a crucial component of Mexico’s economy. Earnings from this industry accounted for almost 20 percent of total government revenues in 2022 according to Pemex and the Secretariat of Treasury and Public Credit. UN has taken various steps help in the improvement of the oil industry in mexico like to Allow decision-making in energy investment, taxes, energy supply, and import policies, Establish a relationship between generation sources and fuel types (development planning and forecasts), Promote an increasing participation of private companies in energy infrastructure, Contribute to national economic growth, Enhance population access to energy from renewable sources, such as mini-hydro, PV systems, etc, Increase access of population to the grid.

Much of the debate about energy reform in Mexico, both among foreign and national scholars, starts with the assumptions about the unique history of Mexico’s oil industry. The Mexican government nationalized foreign oil companies in 1938 to regain control of the industry for the Mexican people and created a national oil company (NOC) with a monopoly over the industry to deliver that benefit. Mexico has adopted few federal legislation for the restructuring and modernising of its oil gas and petroleum industry additionally mexico has negotiated a free trade agreement with united states and canada with both these initiative mexico will consolidate a new petroleum law. Mexican government policies continue to restrict private and foreign investment in Mexico's oil sector. Since 1938, when Mexico nationalized its oil industry, the Mexican government has not allowed foreigners or private oil companies to invest in oil exploration and production in Mexico. Petróleos Mexicanos (PEMEX), a state-owned firm that held a monopoly over the Mexican oil industry, and barred all foreign oil companies from operating in Mexico. Mexican antitrust law is actually the product of three distinct documents. Constitution, in article 28, bans monopoly and monopolistic practices. Mexico’s recent energy reforms could revolutionize the country’s hydrocarbons sector. The reforms aim to increase oil and gas production by eliminating state oil company Pemex’s monopoly on exploration and production of hydrocarbons, while retaining the prime directive that these resources are national property. On October 23, 2023, the Mexican Executive published in the Federal Official Gazette the "Decree establishing measures to combat the illicit market of fuels, related to the importation of goods regulated by SENER"

Since most of the companies are now in the hand of only few people mexico needs to have more partners and distribute the work in such a way that many companies together are able to control the market and help reduce the oligopoly problems in the country

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