

MEXICAN ECONOMY TRANSFORMED BY ENERGY MARKET REFORM -BASHAM, RINGE Y CORREA

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Mexico's energy reform – which has allowed private participation in oil and gas production and the electric power sector – has been transformational, despite the first oilfield auction in 2015 coinciding with the oil price crash, says Juan Carlos Serra, partner at Basham, Ringe y Correa in Mexico City

"Challenges such as these make investors more selective, but as there was previously no investment in Mexico's energy sector, anything is positive," he adds. "The reform has been a motor of growth for investment and is a great window of opportunity."

In addition, Serra says there are also significant investment opportunities in Mexico's infrastructure, ports, airports, highways, transport and aerospace sectors. The Mexican peso's sharp depreciation against the US dollar over the past 18 months has been a boon to some investors, with reduced land and labour costs cheapening production and exports, giving Mexico an edge as an investment destination. Serra adds that ongoing personal security concerns in Mexico are not impeding investment.

Clients' ally

Elsewhere in Latin America, Serra says Colombia is increasingly appearing on investors' radars. He adds: "Meanwhile, Chile is a good example of how to do things well and Argentina looks as if, over the next couple of years, its economy will recover."

Serra adds that law firms operating in the region need to offer increasingly integrated services. "Lawyers must become much more of an ally to their clients, a companion in their business dealings and provide added value," he says. "In Latin America there are many family businesses and while they have become global and institutionalised, they are now facing increasing competition from foreign companies."