

OPPORTUNITY FOR MEXICAN FIRMS TO PARTNER WITH INTERNATIONAL PLAYERS - BASHAM

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Opening Mexico's energy markets will boost investment opportunities and benefit domestic law firms as they acquire expertise working with international firms on major deals, particularly in the oil industry, according to Daniel Del Río, a partner at Basham, Ringe y Correa in Mexico City.

The new law is in the process of being approved by Mexico's congress, will result in foreign and Mexican companies being able to participate in the country's oil, gas and electricity sectors. Del Río highlights the oil industry, in particular, as offering significant potential. "There are a lot of opportunities in the field for companies to participate here and extract more oil because the state-owned oil firm Pemex has been restricted in the past by its financial conditions," he says. Some local companies are concerned that they will be unable to compete with the larger and more experienced foreign companies seeking opportunities in Mexico's energy sector, but those foreign companies plan to partner with Mexican companies, according to Del Río. "We have seen a lot of interest from foreign companies in coming to Mexico to participate with Mexican companies. The idea is to have more clear rules so that those companies can come to Mexico without any limitations."

This is where local lawyers will be vital in helping incoming investors decipher the new legislation. "It's a great opportunity for Mexican lawyers, but also for foreign law firms with a lot of experience in this field to share that kind of knowledge with Mexican lawyers, since we have been participating in a restricted market," he explains, referring to the fact that Mexico's energy sector is one of the few that has been closed to private investment until now. Del Río says the opportunities it will provide both Mexican lawyers and foreign law firms are positive and include developing a strong network of lawyers, allowing for the sharing of experience and knowledge, and understanding each other's local rules and culture.

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