



How energy companies can create opportunities in today's Mexican business environment



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How companies can create opportunities in today's Mexican business environment

Presented by: Rogelio Calderón

Following the ideas and history of corruption in Mexico presented in my last webinar on **Doing Business in Mexico and the Corruption Role**, we understand that corruption is an “activity” that involves at least two parties.

*Presentation

- *Mexico beyond auctions
- *Adapting our strategy
- *Avoiding delays and planning
- *Concerns about corruption
- *Recommendations

Today's flow of information, leaks, and access are challenging and important things we need to take into account when developing or planning a project and business.

Corruption, challenges and opportunities have always been there, in one way or another not only in Mexico.

As the world's balance of power is shifting or rebalancing, some companies will face new challenges and other companies will have new opportunities.

Any given change in the market, has a different meaning for different companies; not all of them are equally affected.



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- ✓ As we all know, the Auctions were cancelled, and they might not come back for some time or for good.
- ✓ This means that the government will not execute long term contracts nor assuming the obligation of providing a stable flow of revenue for the developers.
- ✓ If the government decide to develop the projects by their selves, it could benefit EPC companies, for example.
- ✓ But as of today, private companies can develop and materialize projects and business in the electric market, whether using renewable, clean or conventional technologies (such as wind, solar, natural gas), as long as they comply with the laws and the requirements for such purpose. Examples.
- ✓ Is it only about EXW costs or prices?
- ✓ How SMEs and big companies can take advantage of this situation?



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-Strategy

- Generally speaking, there are two main strategies to enter and develop a new or existing market:
a).- Passive approach and b).- Active approach.
- We often hear that thinking outside the box is important, but I think such phrase has a deeper meaning that just quoting it during a conversation or an interview.
- We know that each Company or Investor has its own investment rationale, risk perception, activities and strategy, etc. ¿Copy - paste?
- Success for companies does not -only- means becoming overnight a Fortune 500, but taking off and continue growing their market share in a given market.
- Magic steps or books companies can just follow in order to become successful in the market is just a dream, but some examples of successful experiences and information we learn at school are handy tools; each company has to develop their own strategy according to unique circumstances and variables.
- Examples.

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- ❖ Most companies have a mandate from their shareholders: creating value.
- ❖ We also know that one, out of many ways to be successful, is finding a way to legally make things happen and move forward, beyond political activism or direct confrontation.
- ❖ It isn't only about going to trial or not, unless my company is a law firm.
- ❖ Competition is between companies and their products and services, not about who knows more: the private or the public sector.
- ❖ Planning and execution should consider the interests of all parties involved.
- ❖ As it happens all over the world, delays can happen because of bureaucracy, antagonism, incorrect planification, not fully understanding the big picture, corruption or evaluating the wrong variables and fundamentals, etc.
- ❖ Example: Permits.

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- ☐ As corruption is not always matter of single and unrelated events, but rather a chain of events, we have to pay attention to all the stages and processes as part of a project or business.
- ☐ Traffic of influences is a way of corruption we have to bear in mind. Examples in Mexico.
- ☐ Traceability of my company's interactions with public officials, government institutions and internal anticorruption manuals are very important.
- ☐ Differences between a political speech, a private but politicized speech and a speech.
- ☐ Corruption risk.
- ☐ What can we do?



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Thank you!



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