

Natural Gas, LNG and Mexico a brief geopolitical approach



Photo: Rogelio Calderon

By: Rogelio F. Calderon, March 29th 2018

Throughout history, in Mexico we have had the idea or approach to current situations based only on what is happening within the country, but today in a more globalized world with much more variables which have to be taken into account than in previous years, a more comprehensive approach shall be required in order to fully understand the causes and consequences of certain actions as well as the underlying interests or purposes of such acts.

Just last week pointed out during an event called: "*Romancing LNG in Mexico*" the importance of considering Spratly and Diaoyu islands which I think will be a big disruptor for oil and gas supply in the near future affecting US LNG and global gas industry because:

- 1.- Even when Asia is the largest LNG consumer, once they have regional supply the need of buying LNG from other regions might make no sense,
- 2.- Geography works in favor of consolidation of an Eurasia economic block,
- 3.- Other huge sources of gas such as Ichthys, Mozambique, Leviathan, the Arctic, East Timor.,
- 4.- They have the leverage when it comes to offer and demand or bargaining power of the buyers,
- 5.- It will take many years for Europe shifting to other sources of gas than Russia and Central Asia,

- 6.- I don't think countries like Pakistan will receive a single BTU from the American Continent,
- 7.- Geopolitics and securing supply (independence) will drive many decisions instead of economic savings and as my humble opinion regionalization rather than globalization will be the new trend for the next 2 decades at least, due policies of the Western Countries which we all know.
- 8.- TAPI pipeline,
- 9.- Mexico's "strategy" of exporting LNG to Asia might be a little bit out of date,
- 10.- Many other reasons and events.

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