

Talking about Rhinoceros and Mexico's Energy Reform



Photo credit: Rogelio Calderon - somewhere in Central Asia

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Years ago, I visited Indonesia starting with a ferry trip from Singapore to Sumatra wishing to know more about that and other countries, I kept documenting my experiences especially those aiming to get first hand understanding of how people and economic activities develop and of course once there I was eager to visit at least one of the three National Parks with the hope of seeing one Sumatran Rhinoceros in the distance. Unfortunately, as the population was so small I wasn't able to see one but did see many other wonders of nature in land and under water.

Some months after that disappointing event, traveling in Central Asia countries, in one of them at a small shop I saw the rhinoceros horn depicted in above photo. At first, I was a bit skeptical of its authenticity, then started examining in detail up and down and even when am not an expert could realize it was indeed a segment of the skull and could see the horn was not attached with glue or other man-made artifact. Spent around 30 minutes asking questions and studying the piece. Then, I was allowed to take the photo conditioned to the people working there didn't appear in it.

The people at the shop explained me all the alleged "medicinal properties" of the horn and asked me USD150 for it, no local currency at the exchange rate was accepted but US dollar bills. I had no intention at all of buying it but was curious. Then left the shop very disappointed because of all the efforts, laws, treaties the local and international community are trying to enforce in order to stop the

killing of such beautiful animals, up to some extent were in vain and useless or not enforceable. This was not the first or last time I saw exotic animals, plants or artifacts being on sale at the streets or in “secret” places, but those anecdotes might be told in later posts.

Then, we have 3 main sources of obligations (protecting and not killing Rhinoceros or trading horns):

1.- International treaties, 2.- Local laws, whether state or federal depending on the political division of a given country, 3.- International laws which have been drafted, enacted and enforced to some extent.

Two recent events are important for further understanding this, i).- Zimbabwe’s former First lady being investigated for illegal ivory smuggling and ii).- dead of the last Northern White Rhinoceros male.

Why am I bringing this up and how it is related to Mexico’s Energy reform?

Well, we have to make a clear differentiation between the “spirit or ideal” of a legislation or reform and the reality, the territory where it will be applied and the tools for enforcement, Do they exist?

Then, in regard to Mexico’s Energy Reform we have international anticorruption laws such as the FCPA, UK Bribery Act and others, Mexican Federal and State legislation, others.

For those who know by heart how (unfortunately) Mexico works regarding the implementation and enforcement of the law, will understand that the problem is NOT the lack of laws or treaties signed by the Federal government not The Energy reform itself. But the lack of enforcement of laws, contracts, anticorruption provisions, for example How the clauses of “change in order” at many contracts are negotiated or works?

The Energy reform is not bad at all, it has good intentions but by who and how it is being implemented leave us with big questions, also the small letters such as the regulatory laws (reglamentos), interpretations (acuerdos, resoluciones) are those that make it not able to really reach the different segments of the population and economy, restricting the participation, leaving in limbo to many end-users, making it so very complicated (which is not the way it has to be) and somehow probably manipulated by public and private propaganda about its benefits or disadvantages. Nothing can be too good or too bad to be true.

No Vertical integration, anti-monopolies, competition and other principles must be real.

Deep-water or E&P is not going to solve all problems in Mexico, is NOT the Panacea and speaking of economy and wealth we should focus in all economic activities in the country.

Unless we are in a monopoly or oligopoly market, below and many other assumptions become true.

*2 main actors: **Suppliers and consumers***

What happen if suppliers are gone/disappear because of bankruptcy or other reasons?

Most certainly, others will come and consumers will shift to a new supplier or to one that brings more competitive prices and better products, then money and wealth will be created.

What happen if consumers are gone/disappear because of bankruptcy or other reasons?

Suppliers will struggle finding new consumers, less money will be created and wealth sources destroyed.

At many forums, talks and conversations have heard something like: I don't want to hear what I don't like. I don't want to hear the news because it's all about insecurity, corruption, poverty and other "bad" things happening in Mexico, better let's focus on doing business. Others of similar sense or rationale.

Also, sometimes I wonder if many of that people is living in a different perfect Mexico than me because I can't see it. I'm not being negative but have always thought that we have to see the reality instead of a dream, which will allow us to better understand and plan in order to succeed personally and professionally through the companies we work at. *We have a saying in Mexico which can be translated like: The worst blindness is the one of a person who doesn't want/wish to see what is in front of him/her. We don't want to be the Northern White Rhino of Mexico, do we?*

Making the difference between reality and dreams/propaganda shall provide many benefits, probably not for those who like to hear what they want to hear instead of a more objective reality or strategy.

If you have any comment, please feel free to contact me: rogelio@huastecaventures.com

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