

Annex 8 referred to in Chapter 7
Activities Reserved to the State

Schedule of Mexico

Section 1
Activities Reserved to the Mexican State

Mexico reserves the right to perform exclusively, and to refuse to permit the establishment of investments in, the following activities:

1. Petroleum, Other Hydrocarbons and Basic Petrochemicals

(a) Description of activities:

- (i) exploration and exploitation of crude oil and natural gas; refining or processing of crude oil and natural gas; and production of artificial gas, basic petrochemicals and their feedstocks and pipelines;
- (ii) transportation, storage and distribution up to and including first hand sales of the following goods: crude oil; artificial gas; energy goods and basic petrochemicals obtained from the refining or processing of crude oil; and basic petrochemicals; and
- (iii) foreign trade up to and including first hand sales of the following goods: crude oil; artificial gas; energy goods and basic petrochemicals obtained from the refining or processing of crude oil.

(b) Measures:

United Mexican States Political Constitution (Constitución Política de los Estados Unidos Mexicanos), Articles 25, 27 and 28

Regulatory Law of the Constitutional Article 27 on Oil Matters (Ley Reglamentaria del Artículo 27 Constitucional en el Ramo del Petróleo)

Mexican Petroleum (PEMEX) and its Subsidiary Bodies Organizational Law (Ley Orgánica de Petróleos Mexicanos y Organismos Subsidiarios)

Foreign Investment Law (Ley de Inversión Extranjera)

2. Electricity

(a) Description of activities: the supply of electricity as a public service in Mexico, including the generation, transmission, transformation, distribution and sale of electricity.

(b) Measures:

United Mexican States Political Constitution (Constitución Política de los Estados Unidos Mexicanos), Articles 25, 27 and 28

Electricity Public Utility Law (Ley del Servicio Público de Energía Eléctrica)

Foreign Investment Law (Ley de Inversión Extranjera)

3. Nuclear Power and Treatment of Radioactive Minerals

(a) Description of activities: exploration, exploitation and processing of radioactive minerals, the nuclear fuel cycle, the generation of nuclear energy, the transportation and storage of nuclear waste, the use and reprocessing of nuclear fuel and the regulation of their applications for other purposes and the production of heavy water.

(b) Measures:

United Mexican States Political Constitution (Constitución Política de los Estados Unidos Mexicanos), Articles 25, 27 and 28

Regulatory Law of the Constitutional Article 27 on Nuclear Matters (Ley Reglamentaria del Artículo 27 Constitucional en Materia Nuclear)

Foreign Investment Law (Ley de Inversión Extranjera)

4. Telegraph Services

Measures:

United Mexican States Political Constitution (Constitución Política de los Estados Unidos Mexicanos), Articles 25 and 28

General Means of Communication Law (Ley de Vías Generales de Comunicación)

Foreign Investment Law (Ley de Inversión Extranjera)

5. Radiotelegraph Services

Measures:

United Mexican States Political Constitution (Constitución Política de los Estados Unidos Mexicanos), Articles 25 and 28

General Means of Communication Law (Ley de Vías Generales de Comunicación)

Foreign Investment Law (Ley de Inversión Extranjera)

6. Postal Services

(a) Description of activities: operation, administration and organization of first class mail.

(b) Measures:

United Mexican States Political Constitution (Constitución Política de los Estados Unidos Mexicanos), Articles 25 and 28

Postal Service Law (Ley del Servicio Postal Mexicano)

Foreign Investment Law (Ley de Inversión Extranjera)

7. Issuance of Bills (currency) and Minting of Coinage

Measures:

United Mexican States Political Constitution (Constitución Política de los Estados Unidos Mexicanos), Articles 25 and 28

Bank of Mexico Law (Ley del Banco de México)

Mexico Mint Law (Ley de la Casa de Moneda de México)

United Mexican States Monetary Law (Ley Monetaria de los Estados Unidos Mexicanos)

Foreign Investment Law (Ley de Inversión Extranjera)

8. Control, Inspection and Surveillance of Maritime and Inland Ports

Measures:

Navigation Law (Ley de Navegación)

Ports Law (Ley de Puertos)

General Means of Communication Law (Ley de Vías Generales de Comunicación)

Foreign Investment Law (Ley de Inversión Extranjera)

9. Control, Inspection and Surveillance of Airports and Heliports

Measures:

General Means of Communication Law (Ley de Vías Generales de Comunicación)

Airports Law (Ley de Aeropuertos)

Foreign Investment Law (Ley de Inversión Extranjera)

The measures referred to are provided for transparency purposes and include any subordinate measure adopted or maintained under the authority of and consistent with such measures.

Section 2

Deregulation of Activities Reserved to the State

1. The activities set out in Section 1 are reserved to the Mexican State, and private equity investment is prohibited under Mexican Law. Where Mexico allows private investment to participate in such activities through service contracts, concessions, lending arrangements or any other type of contractual arrangement, such participation shall not be construed to affect the State's reservation of those activities.

2. If Mexican law is amended to allow private equity investment in an activity set out in Section 1, Mexico may impose restrictions on foreign investment participation notwithstanding Article 58, and describe them in Annex 6. Mexico may also impose derogations from Article 58 on foreign equity investment participation when selling an asset or ownership interest in an enterprise engaged in activities set out in Section 1, and describe them in Annex 6.

Section 3 Activities Formerly Reserved to the Mexican State

Where an activity was reserved to the Mexican State on January 1, 1992 and was no longer reserved to the Mexican State on January 1, 1994, Mexico may restrict the initial sale of a state-owned asset or an ownership interest in a state enterprise that performs that activity to enterprises with majority ownership by Mexican nationals, as defined by the Mexican Constitution. For a period not to exceed three years from the initial sale, Mexico may restrict the transfer of such asset or ownership interest to other enterprises with majority ownership by Mexican nationals, as defined by the Mexican Constitution. On expiration of the three-year period, the obligations of national treatment set out in Article 58 apply. This provision is subject to Article 66.