

## Mexico: Over 50% of fuel retail market to be run by private companies

**With the liberalisation of the fuel sector in Mexico, the market has become very attractive for growing oil companies.**



More than 50% of the retail fuel market in Mexico could be operated by private oil companies within three years, according to industry experts specialized in the fuel retail sector. The state-owned oil company Pemex would be the most affected in this new scenario.

"If we consider that Pemex has already lost 28% of the market since private oil companies started to operate two years ago, as it lacks the capacity to compete with the newcomers, it is likely that Pemex will lose at least 50% of the market share within two, maximum three years," Oilnova CEO Antonio Roldán told the Mexican daily El Norte.

There are currently 12,551 operating service stations in Mexico. 2,470 are operated by private brands, and the remaining 10,081 by Pemex, according to the National Organization of Petroleum Exporters (Onexpo).

Shell, BP, Chevron and Exxon are the major private oil companies with presence in the Mexican market to date, involved in the import and sale of their own fuels.

In the coming years, private oil companies will not focus so much on the construction of new service stations but rather the acquisition of already operating gas stations from third parties. This expansion model would guarantee faster and more effective growth in positioning themselves in the Mexican market, according to Roldán.