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PEMEX Director Adrian Lajous Tenders Resignation

by LADB Staff

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In early December, Adrian Lajous Vargas abruptly resigned as director of the state-run oil company PEMEX. Lajous, whose departure becomes effective the end of December, will serve as special advisor on energy matters to President Ernesto Zedillo. Lajous' resignation was attributed partly to philosophical differences with Energy Secretary Luis Tellez regarding the administration's proposals to partially privatize Mexico's energy sector, particularly the petrochemical industry. "Lajous defended PEMEX against the government's attempts to open the energy sector to market forces," said George Baker, publisher of Mexico Energy Intelligence, a Houston-based newsletter. "He basically closed down open access for...[four] years."

Juan Ruiz Healy, a columnist for the Mexico City English-language daily newspaper The News, said Lajous and Tellez disagreed on almost every aspect of PEMEX policy from the petrochemical sector to international oil prices and the natural-gas market. Ruiz Healy said Tellez's suspicions of deep corruption in the Lajous administration caused significant friction between the two officials. "They wouldn't greet each other even at public acts," he said.

Lajous is widely blamed for strategic mistakes in the expansion of the Cantarell drilling complex in Campeche Sound. Earlier this year, the Secretaria de la Contraloria y Desarrollo Administrativo (SECODAM) launched an investigation of cost overruns and delays at the Cantarell site, as well as discrepancies in production estimates at the facility (see SourceMex, 1999-08-04).

Lajous has come under fire for awarding the contract for the Cantarell expansion to US-based Bechtel Group without opening up the project for bids. David Shields, an independent oil-market analyst in Mexico City, said the cost overruns at Cantarell gain importance in light of the recent trends of oil-producing countries to cut production. "Great amounts of money were funneled into giving Mexico what will now be a very large amount of idle capacity," Shields told the Dallas Morning News.

Despite his perceived shortcomings at PEMEX, Lajous is credited with increasing efficiency and transparency in PEMEX operations. "He has undertaken dramatic reforms in what used to be a state entity whose name was synonymous with corruption, featherbedding, and lack of accountability," said George Grayson, an expert on Mexico at the College of William & Mary in Virginia. In the news release announcing his resignation, Lajous did not comment directly on his differences with Tellez but vaguely alluded to internal feuds in the company. "Finishing the projects PEMEX began requires close cooperation in the energy sector that will unify everyone's focus," Lajous said. Tellez, appointed to his current post in 1997, is also reported to have had a hand in the departure of Rogelio Gasca Neri as head of the Comision Federal de Electricidad (CFE) earlier this year.

Nationally syndicated columnist Miguel Angel Granados Chapa said Gasca Neri was ousted because he opposed Zedillo's controversial plan to open the electrical sector to private investment.

Gasca cited "personal reasons" when he tendered his resignation at the beginning of this year (see SourceMex, 1999-02-03).

Former Coahuila governor appointed to replace Lajous

Meanwhile, there was also some speculation that Francisco Labastida, the presidential candidate for the governing Partido Revolucionario Institucional (PRI), had a strong influence on the departure of Lajous and the appointment of former Coahuila governor Rogelio Montemayor Seguy as the next PEMEX director. Some analysts said Labastida may have asked for Lajous' ouster because of the PEMEX director's close relations with former president Carlos Salinas de Gortari and with Tabasco Gov. Roberto Madrazo Pintado. Madrazo was Labastida's principal rival for the PRI presidential nomination for 2000.

Other political observers speculated that Montemayor Seguy was rewarded with the PEMEX post because of his close ties to Labastida. Montemayor, who recently completed his term, is among the handful of PRI governors who enthusiastically supported Labastida's candidacy in the PRI primary. But Montemayor lacks experience in the oil industry and is expected to remain in the post only until the next president is inaugurated. "It's more than likely he won't be continued in the new administration," said Baker. "At best he's a caretaker figure." (Sources: Reuters, 12/14/99; La Jornada, Novedades, The Dallas Morning News, 12/15/99; El Economista, Excelsior, El Universal, 12/15/99, 12/16/99; The News, Reforma, 12/15/99, 12/17/99; Proceso, 12/19/99)

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