

Gasoline shortage in Mexico getting worse due to fuel thefts

By Karen Graham

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Read more: <http://www.digitaljournal.com/news/world/gasoline-shortage-in-mexico-getting-worse-due-to-fuel-thefts/article/540237#ixzz5c24EQNuW>

Mexican President Lopez Obrador campaigned on fighting corruption in the energy sector, but for now, he seems to be fighting a losing battle. In recent days, more than 1,000 stations in the states of Colima, Guanajuato, Hidalgo, Jalisco, Michoacan, Nayarit and Queretaro have experienced fuel shortages, according to [Stratfor Worldview](#). Hardest hit have been gas stations in the state of Michoacán, with over 90 percent of the gas stations in its capital city, Morelia, forced to close. Business owners in Michoacán first began reporting gas shortages on December 31.

The state oil company, Pemex has not explained the cause of the shortage, however, President Obrador said Thursday that authorities are still investigating the source of the problem.

In a Twitter post on New Year's Eve, federal lawmaker Ana Lilia Guillén Quiroz posted a terse comment directed at Pemex and Energy Secretary Rocío Nahle, writing: "many gas stations are closed in the city of Morelia," adding that "the few stations that have gasoline are swamped by desperate customers."

ATENCIÓN!! rocionahle Pemex SENER_mx, hay DESABASTO de gasolina en Morelia, Michoacan y algunos Mpios. De MICHOACAN!! Muchas gasolineras cerradas en Morelia y las pocas que tienen gasolina, están saturadas de clientes desesperados por no encontrar el combustible en la ciudad!! nJpzNEcniK

— Ana Lilia Guillén Quiroz (@GuillenAnaLilia) [January 1, 2019](#)

The bigger picture [According to Bloomberg](#), back in November 2018, BP Plc and Total SA were just two international gasoline retailers facing shortages in Mexico due to fuel thefts and the weather.

There were [shortages at seven terminals owned by Pemex](#), with shortfalls in Mexico City and the states of Mexico, Hidalgo and Queretaro have affected BP, Total and other retailers, according to "an unnamed source with direct knowledge of the situation."

BP has seen shortages at more than 20 of their stations with losses of at least 15,000 liters each or about a quarter of their average capacity. Total was seeing shortages at 15 percent of their stations in early November, but the number has risen sharply to 45 percent to 50 percent of stations.

Mexico's 2013 energy reform opened the country's downstream sector - including fuel stations to private investment. Now, that investment is at risk due to the blatant theft of fuel from the pipelines.



A PEMEX company gas station

Saloca

Criminal groups tap gasoline and diesel pipelines to siphon fuel, or even redirect fuel directly from refineries and storage terminals to new destinations for sale on the black market. The sad part is that a few Pemex employees are allegedly allowing this to happen.

The allegations prompted Mexican President Lopez Obrador to move against corrupt employees of state-owned Pemex. The government was forced to deploy troops to

the Salamanca refinery on Dec. 27 as part of an effort to curb fuel theft abetted by employees at Pemex.

There will obviously be further investigations and audits that could lead to additional short-term shortages, but in the long run, it will be good for those international fuel suppliers that have invested in Mexico's energy sector. [Illegal taps on fuel pipelines](#) increased by 45 percent in the first 10 months of 2018, according to Pemex, and the total number of perforations was over 15,000.