

Cydsa Will Invest US300 Million in Energy Sector

The projects are a chlorine and caustic soda plant and a cavern for storage of natural gas.

By Lourdes Flores

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Monterrey, NL. Cydsa reported that it plans to invest 300 million dollars to develop infrastructure in the energy sector of the state of Veracruz.

Tomás González Sada, president of the Board of Directors of the Monterrey company, explained that this year he will start two projects in Coatzacoalcos: a chlorine and caustic soda plant with an investment of 150 million dollars, as well as the construction of a cavern for the storage of natural gas and other hydrocarbons for another 150 million dollars.

At the end of the General Assembly of Shareholders of Cydsa, González Sada explained that the salt cavern project depends on first obtaining a financing for the plant, although they are already in the last negotiations with the banks and it is possible that the credit deal closes between the months of May and June of 2018.

"We are pending approvals with the authorities, we hope that in the following quarter the loan can be contracted," said Humberto Lozano Vargas, general director of Administration and Finance of Cydsa Group.

The investment would begin this year, but it would not end in 2018, since it is a gradual process that will take 18 to 24 months, he said.

Tomás González stressed that the Coatzacoalcos plant project has incentives, because it is focused on improving the environment and this gives them the opportunity to obtain special long-term financing.

The aforementioned is due to the fact that the government considers Coatzacoalcos as part of the Special Economic Zones (ZEE), for which, "we are working to obtain a longer term financing, with a lower interest rate. What is stopping the progress of this project is the procedures, and Cydsa expects this to be the first to be supported within the ZEE's," he said.

MIDSTREAM

Alejandro Von Rossum Garza, general manager of the company's chemical division, said that caverns are an essential part of the midstream process, including transport, whether by pipeline,

rail, ship, or truck, as well as storage and wholesale marketing of crude or refined products derived from petroleum.

For this reason, he said, Cydsa signed a letter of intent with the Canadian firm ATCO, which is in this sector, "we are evaluating with them opportunities, which can be ports, storage, processing of natural gas, sweetening natural gas, among other processes" .

CYDSA initiated the implementation of the underground hydrocarbon storage and processing business, aimed at the creation of sustainable parks to store hydrocarbons in salt caverns.

The former, in order to contribute to the clean, efficient and safe operation of energy in Mexico.

In 2016, Cydsa built the first salt cavern for the underground storage of LP gas, which began operations in November 2017 in Veracruz.

<https://www.eleconomista.com.mx/estados/Cydsa-invertira-US300-millones-en-sector-energetico-20180322-0147.html>