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PEMEX Reports Some Progress in Remodeling of Refineries

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The state-run oil company PEMEX is reporting some progress in its plan to remodel six refineries and expand the country's capacity to produce unleaded gasoline and other cleaner fuel products. Spokespersons at Pemex-Refinacion said remodeling the Cadereyta refinery in Nuevo Leon state is about 80% complete. They also said remodeling the Francisco I. Madero refinery in Tamaulipas state is now underway. The concessions for both projects were awarded to a consortium comprising Mexican engineering company Triturados y Basalticos (Tribasa), South Korea's Sunkyong, and Germany's Siemens AG. Pemex-Refinacion has also resumed the expansion plans for refineries at Tula, Hidalgo state, and Salamanca, Guanajuato state, after postponing the two projects earlier this year.

The agency delayed awarding contracts for the two complexes after discovering the projects had become too costly (see SourceMex, 1999-03-17). After restructuring the proposals, Pemex-Refinacion reopened the process to bidders in May of this year (see SourceMex, 1999-06-02). The Pemex-Refinacion spokespersons said companies and consortia from Mexico, Italy, the US, Spain, South Korea, and Japan have submitted bids to participate in one or both projects. The bidders include Mexican engineering company Bufete Industrial, South Korea's Samsung, and US-based Enron Engineering and Construction. ICA-Flour Daniel, the joint venture formed by Mexican construction company Empresas ICA and US-based engineering firm Fluor Daniel submitted a bid only for the Salamanca refinery.

Pemex-Refinacion is scheduled to announce the winning bidders by Sept. 28. Work on both projects is scheduled to begin by December of this year and be completed by the end of 2001 or the beginning of 2002. The company has yet to open the bidding process for expanding refineries in Salina Cruz, Oaxaca state, and Minatitlan, Veracruz state. Bidding on both projects had been scheduled to be opened sometime this year. Remodeling the six refineries, which is projected to cost about US$5.7 billion, is part of PEMEX's plan to increase its capacity to process crude oil to 460,000 bpd and reduce imports of unleaded gasoline by about 40,000 bpd. (Sources: El Financiero International, 08/16/99; Reuters, Novedades, 08/27/99)

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