

Bangchak expects earnings boost from rise in oil demand

BT10-BILLION EARNINGS SEEN DESPITE DIP IN MAJOR MARKETS

WARIN TRINO
THE NATION

BANGCHAK PETROLEUM expects to achieve Bt10 billion in earnings before interest, depreciation and amortisation (EBIDA) this year, reflecting its anticipation of higher oil demand in the world market despite economic slowdowns in major markets, especially China and India.

Surachai Kositseriwong, assistant managing director for accounting and finance, said the actual EBIDA would be higher than the previous target set at Bt9.6 billion. The company achieved Bt4.9 billion EBIDA in the first six months of this year, while in the second half, the company's daily capacity for oil refinery will be 100,000-105,000

barrels, with a refinery fee of not less than US\$7 (Bt219) per barrel.

"We are quite confident the oil refinery will be in line with our target or at the level of more than 100,000 barrels per day despite the economic slowdown in major markets such as China and India, which leads to lower oil demand from those markets," he said.

North America, Europe

"However, the oil demand in North America and Europe is still increasing and is driving growth of the oil-refinery business and a better oil price in the world market. The oil refinery is entering the high season from now until the end of this year."

Surachai said Bangchak's per-

formance this year would meet its target.

Next year, the company would invest in boosting the efficiency of its refinery facility.

The investment is in line with the "3E" project to increase its refinery capacity to 140,000 barrels a day to serve greater demand in the world market.

The new expansion of its refinery would be completed within the next three to four years.

The company in 2015 will increase its solar-cell capacity by another 48 megawatts, up from the current 118MW.

As a result, the company's EBIDA from its solar-cell project, which will be completed in 2016, will be between Bt2.7 billion and Bt2.8 billion.