

Scan Inter builds CNG fuelling network



SET-listed Scan Inter Plc (SCN), a local compressed natural gas procurer, has diversified into CNG fuelling stations.

Earlier this year the company bought two CNG stations and joined in a venture with local fuel retailer Susco Plc to run an additional four stations.

SCN recently acquired a third fuelling station of its own, located in Bangkok's Bung Kum district and worth 31.5 million baht.

Littee Kitpipit, executive director and marketing director, said SCN had revised up its 2015 sales forecast for CNG retail business to 760 million baht from a previous target of 600 million.

CNG sales volume was also revised up to 155 tonnes a day from 125 tonnes.

SCN sees strong potential for the CNG retail business to grow after PTT Plc decided to halt expansion of its CNG network at 497 stations.

PTT has been the sole retailer of CNG since 2006.

The state oil and gas conglomerate has watched demand for the fuel rise from a few tonnes a day in early 2006 to almost 8,000 tonnes daily in 2013.

PTT recently said it would sell CNG only via its pipeline and allow other private firms to invest in the CNG retail business.

Energy policymakers are preparing to float the CNG retail price early next year after pegging it at lower-than-market rates since 2003.

During the time of the fixed CNG price, PTT -- monopolising the market as the sole CNG retailer -- slowly expanded its CNG station network and carried losses of up to 20 billion baht a year.

SCN had to diversify into the industrial CNG sector to enhance the capability of its engineering, procurement and construction (EPC) business.

The company succeeded in discovering pressure-reducing system (PRS) machinery compatible with CNG.

SCN expects 2015 PRS sales will reach 81.4 million baht.

The company has PRS production facilities in Pathum Thani and Saraburi provinces with a combined capacity of 20 billion British thermal units, slightly below the capacity of 22 billion btu in the first year of business.

The innovation of the PRS has brought in clients from Vietnam and Myanmar.

Next year, the company plans to approach other Asian countries.

SCN is also preparing a marketing strategy for the new CNG cylinder type 4, a composite cylinder whose weight is much lower than that of a steel cylinder.

The company has an EPC backlog of 600 million baht.

A long-term capital expenditure budget is expected to be finalised in early 2016.

Since PTT announced plans to stop expanding its CNG station network, SCN intends to revise its own business plan next year.

SCN shares closed yesterday on the SET at 7.20 baht, up five satang, in trade worth 12 million baht.

