

UAC, Sebigas seek renewable energy

Alliance will develop 20 biogas projects

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UAC Global Plc, an MAI-listed diversified chemicals trader, has entered into a strategic partnership with Italy's Sebigas Group to develop renewable energy projects in Thailand and elsewhere in the region.

President Chatchaphol Prasopchoke said the alliance has set up Sebigas UAC Co, which has already been granted engineering procurement and contractor contracts for UAC's 20 licences awarded by the Energy Ministry for producing biogas from napier grass.

"There are a lot of opportunities in this sector, as the government plans to develop renewable energy to supply 25% of energy demand by 2021, up from 11.4% now," he said.

Renewable energy in Asean has plenty of feedstock such as palm oil and cassava, said Mr Chatchaphol.



Besides Thailand, UAC is also interested in Malaysia and Indonesia, says Mr Chatchaphol. APICHI JINAKUL

He said in recent years UAC had allocated a lot of money for renewable energy projects including a biodiesel or methyl ester production plant, compressed biogas, gas recovery from crude oil and solar rooftops.

UAC's annual renewable energy revenue is expected to surpass 2 billion baht by 2017 from 1.06 billion last year.

The company projects 20% revenue growth to 1.2 billion baht this year, rising to 1.4 billion next year.

Meanwhile, renewable energy will eventually account for half of revenue from 20% now, while the chemicals business will fall to 20% from 80%.

"We're also conducting feasibility studies in Malaysia and Indonesia, as these countries are enthusiastic about adding new sources of renewable energy to serve growing demand," said Mr Chatchaphol.

In Thailand, UAC has been in talks with owners of biomass plants to purchase shares and assets, as many of them plan to exit the business.

A 500-million-baht deal is expected to be finalised this year, but UAC will retain some shares for former owners to maintain a relationship with local stakeholders.

The company plans to spend 3 billion baht to develop renewable energy projects from another 20 licences.

The company also expects to double its market capitalisation to more than 10 billion baht by 2017 from 4.51 billion as of April.

UAC tested compressed biogas production from napier grass in the car market for almost a year.

UAC shares closed yesterday on the MAI at 8.95 baht, down 15 satang, in trade worth 2.44 million baht.