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PTT swats monopoly tag

Politician claims firm violating law

YUTHANA PRAIWAN B1

PTT Plc, the national oil and gas conglomerate, has defended itself against remarks by former Finance Minister Korn Chatikavanij about its takeover of SET-listed Glow Energy Plc, saying the acquisition was legal and is being vetted by regulators.

The former Democrat Party politician posted an article to the public last weekend, claiming this deal will give PTT monopoly power in the sector, violating the country's constitution.

Chansin Treenuchagron, the newly appointed president and chief executive of PTT, said the deal is being screened by the Energy Regulatory Commission (ERC) for fair play in the power generation sector.

The deal was done through PTT's power business arm — Global Power Synergy Plc (GPSC) — in June, purchasing 69.11% of shares from French-based Engie Group, the majority shareholder of Glow. The remaining shares of 30.89% are expected to be bought through a tender offer.

The deal is expected to be worth 139 billion baht and completed by November.

"Once we merge Glow and GPSC, we will be ranked the fourth-largest power producer at 4.835 gigawatts. Our power plants are set to generate power mostly for the industrial sector in the Eastern Economic Corridor [EEC]," said Mr Chansin.

The Electricity Generating Authority of Thailand ranks first for power capacity with 16.01GW, followed by Ratchaburi

Korn Chatikavanij, the former finance minister, submitted a complaint to the government accusing PTT of violating the charter and engaging in unfair business practices.
CHANAT KATANYU

Electricity Generating Holding Plc at 8.02GW, Gulf Energy Development Plc has 5.3GW and Electricity Generating Plc 4.26GW.

Mr Chansin said Engie is also transforming its power business platform from fossil-based fuels to renewable energy in line with the French government's policy, which factored in the decision to sell Glow in Thailand.

He said all of Glow's power plants are located in the EEC provinces, within proximity of GPSC, so this acquisition asset from Engie will enable the business development and cost efficiency.

Meanwhile, Mr Chansin announced yesterday that PTT is preparing for any disruptive technology in the oil and gas businesses, saying cleaner energy is fast approaching over the next several years.

PTT will emphasise massive investment on the EEC locations from existing oil and gas businesses such as the upcoming auction on Erawan and Bongkot gas fields, the capacity expansion of oil refineries, added value to commodity-grade polymers and bio-degradable plastics and a capacity expansion in the liquefied natural gas receiving terminal.

The company's new business diversification plan includes bidding for high-speed railway linking three airports — Don Mueang, Suvarnabhumi and U-tapao — as well as energy storage for electric vehicles and renewable energy.

Mr Chansin said the massive investment plan for the oil refinery and petrochemicals in Indonesia will be suspended for a while as PTT aims to focus on the EEC instead.

"Furthermore, the Indonesian government prefers to welcome oil and gas operators from the Middle East instead of PTT," said Mr Chansin.

During 2014-15, PTT teamed up the Indonesian national oil and gas firm Pertamina to conduct a feasibility study for an oil refinery and petrochemical cracker plant. The plan has yet to see any final decision on investment.