

Mexico Real Estate and Investment News

TUESDAY, NOVEMBER 24, 2009

Mexico Invests \$12 Billion In Gas Pipelines

Mexico's state owned oil company *Petroleos Mexicanos*, known as Pemex, said earlier this month that there are plans to spend around \$12 billion on upgrading its pipeline network.

Pemex Chief Executive, Juan Jose Suarez Coppel, said, "The transportation of hydrocarbons and their derivatives via pipelines continues to be the most efficient and safest option."



Suarez, formerly Chief Financial Officer of the state concern, was appointed Chief Executive in September. He criticized the oil giant's failure to modernize in recent years. The new **Mexico investment** plan involves \$5.5 billion to build an additional 2,800 miles (4,500km) of pipelines, four storage terminals and 14 pumping stations, by 2015. Mexican Pipelines carry crude oil, gas, refined products and petrochemicals.

Another \$5.6 billion will be used over 10 years for maintenance of 29,200 miles (47,000km) of existing pipelines that have an average age of 25 years. The integration of automated pipeline systems among the oil company's four operating divisions is planned for completion in 2012. Suarez added this Mexico investment would cost another \$1 billion.

The pipeline upgrade investment, he said, is part of a broader program to take advantage of last year's energy reforms that will help Pemex take steps to catch up with world-leading oil firms.

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