

PETROECUADOR ORGANIZATION

**PETROECUADOR:** PETROECUADOR is the parent holding company responsible for financing, planning, coordinating and supervising the activities of its three permanent and three temporary subsidiaries. It will centralize most research and legal functions of its subsidiaries. A special unit has been created to deal with environmental protection issues. Training, however, is decentralized.

PERMANENT SUBSIDIARIES:

**A. PETROPRODUCCION**

Exploration and production are the responsibilities of this subsidiary. Immediate priorities are to undertake at least 800 km of seismic lines in 1990 (3,400 by 1994), to drill a series of new exploration wells, to incorporate five new fields into production, to improve pipeline pumping systems, and to obtain assistance in the area of biostratigraphy. Over time this subsidiary will absorb PETROAMAZONAS.

**B. PETROINDUSTRIAL**

This subsidiary is responsible for downstream linkages and refining in particular. When it eventually merges with PETROPENINSULA, it will account for a total national refining capacity of 147,000 bpd at the refineries of Esmeraldas (built in 1975, 90,000 bpd), Amazonas (10,000 bpd), Anglo (37,000 bpd), Repetrol (9,000 bpd) and Lago Agrio (1,000 bpd), and the gas plant at Shushufindi. This is sufficient to meet internal demand and for minor exports. Its immediate priority is to improve the efficiency and augment the capacity of the Esmeraldas refinery. On several occasions CEPE invited offers to construct the Libertador gas plant, a new LPG plant with capacity of 15,000 mt, and although the contract was never awarded the project is likely to resurface.

**C. PETROCOMERCIAL**

This subsidiary is responsible for marketing petroleum and its derivatives on the international and domestic markets. One of the key challenges of the Ecuadorian Government, under pressure from the World Bank, is to raise the price of heavily-subsidized domestic gasoline to something approaching world market prices.