

# FELGUERA IHI



# Storage specialist entering new markets

Editorial: Tim Hands



Managing Director for Felguera IHI, Pedro Floriano tells Total World Energy more about the Spanish history of this important industry player, and more about how the company is planning to move into new markets, continually growing its already sterling reputation for quality and excellence.

Felguera IHI is in a great place right now. The company provides turnkey construction of fuel storage terminals, LNG storage tanks and storage equipment, and in recent times the business has completed some major contracts and continues to

grow in markets where there are a number of big name players vying for market share.

Managing Director, Pedro Floriano is buoyant when describing the current state of the company, saying: "To give an idea of the expansion of

the company in the last years, at the end of 2008 Felguera IHI could be considered basically as a domestic company, with a sales figure of €30 million.

"Today, Felguera IHI is a global company with sales figures of €130 million and is

present in several countries: Spain, Costa Rica, Panamá, Colombia, Bolivia, Perú, Chile, South Africa, Nigeria, Saudi Arabia, Cyprus and Turkmenistan.

“We currently employ more than 300 hundred people.”

While the oil and gas industry is constantly evolving to meet new economic and environmental challenges, Felguera IHI is perfectly positioned to offer innovative, flexible engineering and construction solutions to organisations that need a turnkey project, provided quickly and to the highest of quality standards.

### STRONG HISTORY

The success of Felguera today comes from building expertise over many years in the oil and gas industry. With Spanish roots, the company also

draws on Japanese precision and is proud to call two of the world’s foremost companies in their industries, Duro Felguera (DF) and IHI Corporation, its main shareholders.

“The company was founded in 1962 as a storage department of DF to meet the Spanish storage needs - a multinational company which was set up in 1858 in Asturias, in the north of Spain, specialized in the execution of turnkey projects for the energy, mining and handling and oil and gas sectors,” explains Floriano.

“In 1975, 40% of the company’s shares were acquired by the Japanese company, IHI Corporation, an industrial and technology conglomerate present on the five continents and working in the areas of energy, aerospace, logistics,

shipbuilding, development of infrastructures, offshore, engineering, etc.

“Nowadays, Felguera IHI has a worldwide presence and takes advantage of the synergies of these two big companies and their state of the art technology.”

In the early days, Felguera was focussed more on the supply of tank containers rather than construction but today the strategy definitely involves an engineering approach.

“Felguera IHI originally started activities as a tank construction company, being a mere supplier of this equipment. Over the years, the company evolved and currently is an engineering and construction company specifically oriented towards storage solutions (mainly storage terminals) and LNG





technology (regasification and tanks). Our approach to projects is basically Lump Sum Turn Key EPC (LSTK EPC)," says Floriano.

### PLANS IN THE PIPELINE

Felguera IHI has completed an impressive portfolio of projects and has worked for some of the world's major energy businesses however, Floriano details work for ENAGAS, Spain's national gas grid operator, as one of the most prominent projects that the company has been involved with in recent years.

"As for key projects, I can underscore the seven PC wall full containment LNG tanks of 150,000 m3 each for ENAGAS. In this case, Felguera IHI was responsible

transportation, erection, testing and commissioning," he says.

"In addition, several storage terminals on a full LSTK EPC basis were executed in Spain during the last years, as well as terminal expansions in other countries. Felguera IHI has become a reliable partner to important utilities such as RECOPE, PETROPERÚ, etc.

"In our pipeline of projects to be developed, I would highlight the recent award of a 376,000m3 Storage Terminal in Panama, for Vopak."

This refers to a €56 million contract won back in November 2014 for executing a fuel supply terminal for ships and oil storage in Bahia las Minas (province of Colón)

on the Atlantic coast of Panama. The project will be implemented in partnership with Spanish firm FCC industrial.

The company is looking to expand on this international experience by growing further into new markets while also consolidating its position in its established markets as Floriano explains: "Considering Felguera IHI as a global player, our target for the next years consists of consolidating our position in the markets in which our presence is already strong (Latin America, Spain etc) and increasing our activity in regions like Middle East and Africa."

for  
the  
complete  
design,  
detailed  
engineering,  
procurement,

### EXCELLENCE THROUGH EXPERIENCE

Unlike other companies in the industry, who are made up of only construction personnel and outsource engineering, design and technology to third parties, Felguera IHI uses its experience to keep as much of the value chain as possible in house. The company has a large team of engineers and other professionals specialised in all the fields required in storage projects and Floriano himself has been with the organisation for a number of years.

"I have more than 12 years' experience in project execution and management of international projects; mainly in mining, oil and gas, cement and bulk handling," he says.

"After completing my Mining Engineering course

(Oviedo University) and MBA (Nottingham University), I joined DF in the Mining and Handling Division as Project Manager and then moved into the Commercial Department. Between 2002 and 2004, at the same time, I developed management activities in our subsidiary in Mexico.

“Since June 2009 and up until now, I have been acting as the Managing Director of Felguera IHI, as well as a member of the Board of the company, in coincidence with the global expansion of the company,” he adds.

Within the DF Group, almost 2,000 people make up the workforce including qualified engineers, administrative staff and factory workers, thereby covering the whole range of professionals required by a group with a clear vocation for services to the industry.

“Felguera IHI has its own internal resources to provide advanced training. This apart from the 50 years’ experience in the market, which provides us with a substantial knowledge that we intend to transmit to our employees on the day-to-day,” says Floriano.

### CAPTURING SUCCESS

With Felguera IHI’s backlog of successful projects and the strong pipeline providing a positive outlook for the future, the company is in a strong position. When asked about the reason for the organisations ongoing success, Floriano pays tribute to the company’s flexibility saying: “It’s definitely our capacity to adapt ourselves to the challenging environment.

Felguera IHI has moved from being a domestic company at the beginning of the crisis to transform into a global leader in the storage field.

“Our competitive advantage is essentially that we are a medium-size engineering company oriented exclusively to storage solutions and LNG technology, while our competitors are either manufacturers, or big integration engineering companies.

“Besides this fact, we must keep in mind that Felguera IHI is owned and supported by

two prestigious companies in DF and IHI, which is always a guarantee of reliability and success.”

As the supply of fuels and energy products becomes more and more important, the products and facilities offered by Felguera IHI will inevitably become more and more sought after and, as a company that can provide engineering and construction, to many countries around the world, this is a business that is definitely on the rise and will be one to watch in 2015 and beyond :



Engineering | Construction | Maintenance | Commissioning

*"Knowledge and commitment"*



**[www.teigatmi.es](http://www.teigatmi.es)**

P.I. Bergondo B 11  
La Coruña (Spain)  
Tel. +34 981 783 535  
[teigatmi@teigatmi.es](mailto:teigatmi@teigatmi.es)







totalworld:energy

+44 (0) 1603 411569

[info@totalworldenergy.com](mailto:info@totalworldenergy.com)

East Coast Promotions Ltd,  
2 Ardney Rise  
Norwich, Norfolk  
NR3 3QH

[www.totalworldenergy.com](http://www.totalworldenergy.com)