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Story

Gauss well positioned to offer merger partner access to Mexico's energy sector, CEO says

 [Proprietary Intelligence](#)

Gauss Energia, a privately owned Mexico City-based energy intermediary, is well positioned to offer a merger partner access to the country's energy sector, according to CEO Hector Olea.

Gauss would be a good target for an international player looking to participate in the Mexican energy sector while minimizing time to market, Olea said.

The CEO described Gauss as a lean operation made up of 15 experts in the field with decades of experience in both private and public sectors. Olea was chief energy regulator under president Ernesto Zedillo before becoming chairman of Suez-Tractebel in Mexico. Gauss works with energy project managers and brokers energy contracts between producers and major energy customers. Customers of Gauss include important multinational companies on the scale of EdF, Iberdrola, Bimbo, Holcim and Wal-Mart.

Olea said he sees opportunity in the commitment expressed consistently by Mexico's president Felipe Calderon since taking office to bring reform to the country's energy sector and invite the participation of private investors. Rather than privatization of the energy sector, Olea sees opportunities for international players to fill gaps in the industry by complementing existing operators with new technologies and capital. Gauss has seen success in its role supporting the development of Mexico's wind power sector and is optimistic about the de-monopolization of the liquid propane gas industry, and in developments that will expand natural gas distribution and transportation networks.

Olea said the challenges of Mexico's energy sector will become opportunities for his company, and regulatory changes will propel investment.

According to Olea, Gauss has experienced triple digit growth since its founding in 2004. Major Gauss shareholders are Olea and Arturo Saavedra.

Olea estimates that Gauss has an enterprise value well above USD 5m.

by Oliver Hill