



THE OIL & GAS YEAR

The Who's Who of the Global Energy Industry

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ABU DHABI 2013



Locked on target

H.E. Abdulla Nasser AL SUWAIDI
Director General
ABU DHABI NATIONAL OIL COMPANY

The quest for sustainability

H.E. Nasser Ahmed AL SOWAIDI
Chairman
ABU DHABI DEPARTMENT OF ECONOMIC DEVELOPMENT

Enhanced capabilities

Ali Rashid AL JARWAN
CEO
ABU DHABI MARINE OPERATING COMPANY





Fouad MAKHZOUMI
CEO
FUTURE PIPE INDUSTRIES

“Fibreglass offers corrosion-resistant properties and is by far the most efficient pipe system.”

IN FIGURES

Total length of pipeline installed globally

160,000 kilometres

Percentage of large diameter fibreglass market in GCC region

26 percent

Founded

1984

Number of staff worldwide

3,000

Life as we know it

Future Pipe Industries is a Dubai-based pipe manufacturer, with plants in the GCC, the greater Middle East, Europe, Asia-Pacific and the US. The company is also a systems designer of anti-corrosion fibreglass piping – a material quickly becoming the first choice for pipelines in the oil and gas industry.

What are the relative advantages of using fibreglass as a pipeline material?

As operating environments in the oil and gas industry become increasingly demanding as a result of higher pressures, higher levels of corrosion and higher general wear, materials that can better withstand these environments are becoming sought-after more and more.

Fibreglass offers corrosion-resistant properties and is by far the most efficient pipe system. When you take pipelines made from steel, ductile iron or concrete and install them in a tough terrain, there will be corrosion. The only protection possible is to compensate with an electric current. If metallic piping is used in oil wells, it normally takes a few years before it must be replaced due to corrosion. Fibreglass, on the other hand, is essentially there to stay, operating for up to 50 years under normal working conditions. It has a high strength-to-weight ratio, which translates into lower transportation and installation costs compared with traditional materials such as concrete or steel. It can also withstand high loads, pressures and temperature, and is resistant to hydrogen sulphide and other chemical applications. This is especially important in the UAE, where reserves are producing increasingly sour oil and gas.

Are there any drawbacks to constructing pipelines out of fibreglass?

There are some technical limitations to the material, one of which is temperatures of more than 150 degrees Celsius. However, for normal applications, fibreglass is an efficient alternative. Given that corrosion poses major problems for conventional pipe material in high-pressure upstream applications, the non-corrosive characteristic of fibreglass has made it the material of choice. It offers significant savings because fibreglass requires little to no maintenance. A recent report by independent business information provider Visiongain stipulated that \$18.72 billion was spent on the prevention of oil and gas pipeline corrosion in 2012.

Are fibreglass pipes being received positively by the global marketplace?

The market size of the pipe business stands at approximately \$150 billion worldwide, with an

estimated growth of 5 percent each year. This figure includes everything from fibreglass, polyethylene and metal pipes to concrete. Worldwide, fibreglass pipes account for \$5.3 billion, growing at an above-market average rate of 6.8 percent, which is a testament to its accelerated adoption by the end users over other material.

The GCC has the largest penetration rates of fibreglass – 22 percent – from an overall pipe market perspective, and of 5 percent within the oil and gas industry itself. However, we estimate this rate to grow to as much as 20 percent.

What are some of the regional expectations associated with the pipeline industry?

Today, some 60 percent of our business comes from the GCC region, but we expect to see that number at 50 percent by 2015. Abu Dhabi in particular aims to further expand its production capacity from 2.7 million to 3.5 million barrels of oil per day by 2017. We will therefore see an increase in pipeline construction projects and greater demand for expertise and capacity. As a result, there is going to be an increased emphasis placed on delivering more efficient products.

What is the role of pipelines in the UAE's infrastructure and hydrocarbons industries?

The expansion and development of oil and gas operations, infrastructure projects, urban areas and populations would be impossible without pipeline systems. They are the arteries of our societies, transporting our water, sewage, gas and crude oil, without which life as we know it would be unsustainable. The UAE is witnessing a rapid population growth and urbanisation along with the expansion of energy-intensive industries, which are key to fulfilling the UAE Economic Vision 2030. Based on the estimate that for every newborn baby there is a need for two metres of new pipeline, there is currently a never-ending supply of work to be done.

Most recently, the prime minister of the UAE and ruler of Dubai, Sheikh Mohammed Bin Rashid Al Maktoum, laid out plans for the Dubai Vision 2020, an ambitious infrastructure development project that will require the construction of more roads and power plants and the delivery of more fuel and water. Pipelines are expected to play an important part in this plan. ■