

Transnet Pipelines

THE PIPELINE NETWORK



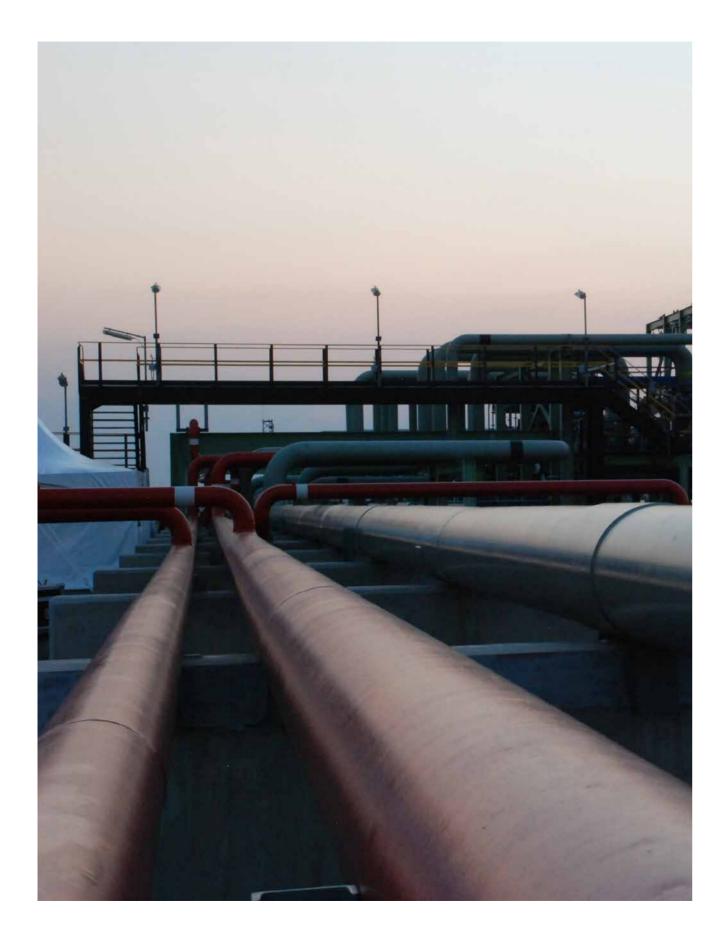


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Regular readers of Business Excellence may recall our profile on Transnet Port Terminals (TPT) in South Africa back in 2013

RESEARCH BY Joseph Philips



PT was, and remains, a central player in South Africa's growing exportled economy. Indeed, since the time of the article, South Africa's exports have almost doubled in volume, underlining the importance of TPT and its ilk to the ongoing success of the country.

In 2019, we're returning to South Africa's TPT, although this time, we're instead casting an eye over one of its subsidiaries: Transnet Pipelines (TPL). TPL is one of the five operating divisions in the Transnet Group, all of which fully-owned by the South African government. TPL provides and maintains the petroleum and gas which fuels the group's ports and railway network which span the country.

The statistics bear this out. TPL itself estimates that it is responsible for about 65%

Its infrastructure is not limited to pipelines. It also has associated pump stations, storage tank farms, and a central and remote control centre infrastructure spread across five provinces in South Africa. The pipeline network is managed through a Master Control Centre which operates on a 24/7 basis, located at its head office in Durban. In addition,TPL owns and operates a 30-million litre tank farm with road and rail loading facilities in Tarlton to facilitate cross border deliveries via road and rail to Botswana and has a refractionator plant in Tarlton, which is unique for a pipeline operator.

Every year, TPL produces approximately 17 billion litres of liquid fuel, ranging from petrols, diesel and jet fuel to crude oil and gas (methane rich gas). All of its output is tested at three separate stages to guarantee

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of all the refined product required for the South African inland market. It also transports more than 70% of all jet fuel at OR Tambo International Airport, 100% of the crude requirements for the Natref refinery, and 100% of the gas requirements to KwaZulu-Natal for the Sasol Gas clients. The natural decision for Business Excellence was therefore to take a closer look at TPL's operations.

Background

TPL was founded over 50 years ago, in 1965. It operates, manages and maintains a 3,800-kilometre high-pressure underground petroleum and gas pipeline network in South Africa. Its activities span the whole value chain, as it drills fuel from its source and ensure that it reaches the end client in consumable form.

its quality for the end user: at intake, in transit and on delivery. Likewise, it has continuously expanded and reconfigured the pipeline network to keep abreast of capacity demands. An example of this could be seen in 2012, when the company commissioned its most recent investment in a 24-inch diameter new Multi-Products Pipeline (NMPP).

TPL's network of pipelines are of strategic importance to the national economy of South Africa and are critical in maintaining a reliable, continuous and efficient supply of crude and refined products to industry. The uninterrupted gas supply is vital to consumers along the route, which include industry giants such as BP, Chevron, Engen, PetroSA, Shell, Total, Sasol and local energy suppliers such as AfricOil and Vuyo.





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All of the company's business is conducted under the highest possible standards. TPL has a 5-star NOSA rating and is Level-2 B-BBEE compliant - accreditations that the company is committed to maintaining and building upon moving forward. In addition, its environmental management system (more of which below) has been awarded with ISO 14001 certification, providing it with independent recognition of its thoroughness.

People and Environment

People, and their safety, are a paramount importance. The nature of its work means that it operates across inherently high risk environments. As such, it emphasizes the importance of safety across its operations. Notably, its annual report states of safety: "we will not settle for basic compliance." As such its safety management is guided its SHEQ Safety Management Policy, a policy designed in-house to meet the standards set by TPL.



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Features of the SHEQ Policy include: ongoing development, implementation and review of safety policies, standards, procedures and guidelines; independent boards of enquiry investigations into accidents; training in functional first aid, SHE Representation, incident management and risk management areas, among several other measures. This has resulted in a year-on-year diminishment of the employees involved in safety incidents.

On the environmental side, as mentioned above, TPL is certified in terms of the internationally recognized environmental management system, ISO 14001. It also abides by relevant industry standards and protocols related to inspection and maintenance of pipelines and associated infrastructure, storage facilities and bunded areas, to prevent damage to the environment due to spill and leakage incidents. TPL aims at a continual improvement process in its operations to ensure the protection of natural resources in the environment it operates in.

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Partners and Suppliers

As one would expect from a company with the scale of TPL's operations (without even considering those of the Transnet Group), a number of partners and suppliers are fundamental to it delivering its output. These include local South African firms like Jaira Contractors, MTC Masters (Pty) Ltd, Total South Africa (the domestic arm of the French energy giant), Liberty Freight and Woodhead Rigby.

Among its international partners, TPL uses SAP software for enterprise management and employs an efficient and streamlined SAP customised customer interface system for its "order to cash process". Japanese giants Mitsubishi Electric have also installed video walls at the National Pipeline Operating Centre in Durban, while German firm Siemens AG has helped TPL to install a state-of-the-art Process Control System (PCS).

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The Future: International Expansion

Having consolidated its position on its home market, TPL already seems ready to take its expertise abroad. This already began back in 2004 with a partnership with Mozambique's Pande Gas, but now looks to be reaching a new level. In March 2019, TPL announced that it was in talks with the Kenyan government to operate Lamu Port, which the East African nation is developing to use for its planned exports of oil.

This is just one of several African port concessions that TPL is eyeing (through the Transnet Group's International Holdings entity), looking at bringing its considerable experience to bear on other countries. Opportunities abound everywhere across the continent, from Namibia to Tunisia, with economic growth rates often significantly exceeding those of other regions. Surely it won't be long before European and North American ports can expect to see TPL bidding on their own port concessions.

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