

GPC has signed recently a new contract with Turkmenistan's state owned concern Turkmengaz for the supply of pipes for the first phase of TAPI project. The project will provide natural gas from Turkmenistan to Afghanistan, Pakistan and India

# Global Pipe Company: MGS II mission accomplished

**J**UBAIL-based Global Pipe Company (GPC), a leading pipe manufacturer, celebrated recently the closing ceremony of the Master Gas System Expansion II Project (MGS-II).

The event was held on October 29 at GPC's mill in Jubail. The ceremony was a good opportunity for the management of GPC to express its gratitude to all involved parties from Saudi Aramco Procurement, Saudi Aramco Project Management Team, Saudi Aramco Vendor Inspection Department, Saudi Aramco Consultancy Service Department, EPC contractor, coating companies, logistic partner and financial institutions.

The Saudi-German pipe manufacturer located in the Eastern Province finished in September the manufacturing activities of bare pipes for Master Gas System Expansion II. GPC's scope included 550 km of pipe material with the predominantly diameter of 56-inch and wall thickness values ranging between 14 and 25 mm. The required material grade was X70.

Addressing the gathering, GPC managing director Ahmed Hamed Al-Khonaini said: "We are very proud that Saudi Aramco decided to award the major portion of this project to our mill. The MGS-II was a very demanding job for GPC not only in terms of quantity, but also in terms of pipe dimensions. Some 550 km of line pipes are definitely a huge quantity and the predominantly required diameter of 56 inches with wall thickness values ranging from 14 to 25 mm are very challenging sizes for our manufacturing process of longitudinal welded pipes.

"The task seems to be even more challenging, if we consider the fact that GPC received this job after a short period of operation of less than three years since the erection of the pipe mill. The GPC team managed to finish the project within a 15-month period and without any significant quality issues. After some difficulties we faced in the beginning of the execution period in June 2016, we succeeded to put the project on the right track and secure the bare pipe supply for the selected coating yards."

Khonaini also highlighted the great support GPC received during the whole execution period of the project. He stressed: "This good achievement is not only the result of the hard work of GPC's team, but also the fruit of the strong support extended to us from all parties involved in the project."

Khonaini added: "I would like to take this opportunity to express my gratitude to all project partners, especially to Saudi Aramco Procurement, for their trust in GPC, to the Saudi Aramco Project Management Team, for their guidance during the whole project period, especially to Hassan Al-Mansour for his patience with us during the critical phases of the project, to Saudi Aramco VID Team, for their continuous support during the whole manufacturing phase, to the coating companies for their close coordination with our team, to the Saudi British Bank Team for the financing provided for the project and to Elite Saudi, our logistic partner,



Al-Mansour (right) congratulating Khonaini

for moving smoothly about 295,000 metric tonnes of steel plates from the port of Dammam to our mill and about 45,000 pipes from our yards to the coating companies."

#### NEW MANUFACTURING LINE

Khonaini also took the opportunity to talk about GPC's expansion project. He said that GPC's shareholders have decided to add a new manufacturing facility to its mill. An investment of SR100 million was approved in May this year.

"The purpose of this expansion is to improve our manufacturing capacity and secure a higher share of local supply for this kind of major line pipe projects in the future," he said. Major machines, with long lead-time, have been already ordered from well-known European suppliers. The new line will be established completely independent from the existing one. GPC will be in a position to work on two different pipe sizes simultaneously.

The nominal capacity of the plant will be doubled from 200,000 to an impressive 400,000 metric tonnes. Civil work for the machine foundation is already under process. The new line will be ready for operation in the third quarter of 2018, he said.

"The Master Gas Project expansion II was definitely a significant milestone in the short history of Global Pipe Company. We



Khonaini (right) and Myrat Archayev, chairman of Turkmengaz after signing the contract

are very proud to be the main pipe supplier for this prestigious national project and we look forward to serving Saudi Aramco in new ambitious projects for the kingdom in the future," he added.

Saudi Aramco's Al-Mansour, in his speech, highlighted the high level of commitment GPC showed during the execution period of the project.

"I appreciate GPC's commitment for the project and the willingness to consider all possible options to improve the delivery schedule."

He added further: "We were very concerned during the beginning phase of the project. But GPC managed to put the right measures in place and provide the output required." Al-Mansour also highlighted the high quality level GPC provided for this project. "I did not hear about any quality issues during the execution of this project," he stressed.

#### NEW PROJECTS

Close on the heels of the Master Gas Expansion II, GPC received in August this year a new major project from Saudi Aramco. GPC was awarded the Arabian Corridor Project involving 165 km of 48-inch pipes with wall thickness ranging from 15 to 22 mm.

GPC has also signed recently a new contract with Turkmenistan's state owned concern Turkmengaz for the supply of pipes for the first phase of TAPI project.

The cross country gas pipeline project will provide natural gas from Turkmenistan to Afghanistan, Pakistan and India. The total length is approximately 1,800 km. The first phase is located in the territory of Turkmenistan with the total length of about 35 km of 56-inch diameter pipes with 22.6 mm thickness. The required material grade is X70.

GPC's scope of work for this contract includes, in addition to the manufacturing of bare pipes, coating and logistic services to transfer coated pipes from Saudi Arabia to the port of Turkmenbashi in Turkmenistan. The whole contract value of \$40 million is covered with a loan from "The Saudi Fund of Development (SFD)" and supported by "Saudi Export Program (SEP)". The contract signing ceremony was held on November 8 in Riyadh during the meeting of the 5th Saudi-Turkmen Joint Committee for economic and trade cooperation under the co-chairmanship of Saudi Arabia's Minister of Commerce and Investment Dr Majid bin Abdullah Al Qasabi and Turkmenistan's Deputy Prime Minister Maksat Babayev.

With this new contract, GPC has secured the first non-Aramco order in its short history and the first export business. "This is an important milestone for Global Pipe Company," concluded Khonaini.



Khonaini (left), Babayev, Dr Al Qasabi and Myrat Archayev, chairman of Turkmengaz