

Denis Parein, Head of Business Development and Marketing, Flat Products, Energy, ArcelorMittal Europe

ArcelorMittal is currently providing 310,000 tonnes of hot rolled coils for the Trans-Anatolian Pipeline (TANAP) project – a main artery in the Southern Energy Corridor of gas pipelines – from its Bremen plant. How was the deal struck?

This steel type is one of our core businesses, and we supply the material throughout the world, including to the Baku–Tbilisi–Ceyhan (BTC) pipeline, completed in 2006. We already had an excellent pre-existing relationship with Tosçelik, the Turkish pipe manufacturer, with whom we worked on the CAMEG project in Algeria. They are supplying pipes for approximately a quarter of the TANAP project. We recently entered into a new partnership whereby we will support them with our knowledge of making thicker pipes that can withstand extra pressure. The specification for the pipes used on TANAP is very stringent. This pipeline is being built to carry 31bn m³ (bcm) per year, but will initially only carry 16bcm, of which 6bcm will go to Turkey, with the remainder being channelled to the EU.

There are also some new developments. In November, TOTAL will decide whether to exploit the Absheron field, and those resources may be transported through TANAP. It is also possible that Iranian resources will flow through the pipeline, but that has not yet been negotiated, to date. There is also the capacity for many ancillary projects to be channelled to fill the pipeline. The Trans-Caspian Pipeline (TCP) between Turkmenistan and Shah Deniz 2 is also under consideration, and this may add further gas to the pipeline. There is a myriad of future opportunities.

What is special about the X70 grade steel that is being used?

In fact, we already supply this steel type to many pipe manufacturing



Dominique Tourneur, Director, Central and Eastern Europe – CIS Countries, AWEX commented on two successful multisectoral trade missions to Baku

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How is AWEX working to develop the Azerbaijani–Belgian economic relationship?

To date, AWEX has organised two trade missions to Azerbaijan, which took place in 2014–15. Its objective is to develop matchmaking between Belgian and Azerbaijani enterprises. They were excellent trade missions, and our companies were very satisfied with the contacts that were made. Our mission is to bring companies together on a personal level, and to create understanding. It is then for them to decide about their future business relationship. During the 2014 trade mission, we had the opportunity to sign a co-operation agreement with the Azerbaijan Export and Promotion Foundation (AZPROMO). Our trade

missions are multisectoral – they are open to companies from any sector – but AWEX initially focused on companies active in the oil and gas sector.

Next year we will invite decision-makers from various economic spheres, including Azerbaijan, to come to Belgium to meet their counterparts from Belgian companies. For example, we will bring together Belgian equipment and fertiliser suppliers with Azerbaijani agricultural companies. We are also trying to develop a project with Azerbaijan within the ‘East Invest’ European programme, which focuses on Eastern Europe. The idea is to introduce small- and medium-sized enterprises (SMEs) from Azerbaijan to Belgian companies that are active in the information and communications

technologies (ICT) sector. At this stage, we are searching for an Azerbaijani partner in this sector that is a member of the East Invest programme and can identify 10 Azerbaijani SMEs willing participate in this initiative.

The project is ongoing, and I hope we will be successful in setting up this programme. The main determining factor at the present time is the diminished oil price and its cumulative impact on all aspects of the Azerbaijani economy. However, the need for diversification of the economy has been recognised, and investments are being channelled accordingly. Our collaboration firmly fits within the government strategy for economic diversification.

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Denis Parein, Head of Business Development and Marketing, Flat Products, Energy, ArcelorMittal Europe discussed the massive project to supply hot rolled coil steel to the TANAP project

partners. However, each pipe is different, being largely attributable to the pipemaker, all of which use different tooling. The finished pipes must meet the criteria determined by the application. The geotechnical conditions may result in very stringent criteria. This isn't a completely new grade of steel, but we improved our steel to enhance its technical and efficiency characteristics, adapted to the tooling of Tosçelik and the end-user's stringent requirements.

The steel is formulated to withstand both high pressures and low temperatures, and has to undergo a drop weight test at very low temperatures to guarantee its mechanical properties in a very harsh environment. It is not easy to achieve these properties in pipes with a thickness of over 18mm. Tosçelik fabricates all the pipes, and they supply according to the concept of just-in-time delivery. The X70 steel is delivered to Iskenderun in Turkey in large coils of 40 tonnes. Large coils are most efficient, as they enable production to be optimised, minimise scrap, and therefore reduce the unit cost per pipe. Our collaboration is excellent, and should serve to benefit Azerbaijan, Turkey and the wider region.

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