OIL IMPORT FACILITIES NEED URGENT UPGRADE

Current situation boosts price of fuel

Left: The BP tanker ***British Intelligence*** embarks the pilot off Cape Town.

Bottom left: Discharging cargo at Cape Town's oil products terminal is slow, leading to long port stays for the tankers.

Bottom: Cape Town's tanker terminal.

Traffic through Cape Town harbour provides a constant reminder of the potential for the local economy to benefit from the West African oil boom. Several oil-related tugs-and-tows have called for bunkers, a number of survey and support vessels are currently in port, while a self-propelled production and storage vessel as well as a Japanese gasser, sporting four orange domes, skirted the Atlantic seaboard over the week-end. Presumably carrying liquid petroleum gas from West Africa to the Orient, the gasser picked up stores off Green Point on Saturday.

Since I wrote about these remarkable ships two years ago, there has been a huge increase in the demand for gas, notably in Korea, Japan and China, as it is perceived to be a more effective and cleaner energy source than oil or coal, and cheaper than oil that is flying uncomfortably high at present.

Besides other suppliers, Qatar has concluded major purchase deals with the Japanese that include shipment in Japanese-operated gassers. That, in turn, has been a windfall for shipyards who have found building these leviathans with their complex construction a far better prospect financially than churning out run-of-the-mill bulkers or other standard vessels.

A proper South African gas terminal is a distinct possibility, and potential sites have been mooted at Mossel Bay - the gas refinery lies outside the town - Ngqura or Saldanha Bay. Even Port Nolloth has been mentioned, but the responses from some experts to that notion are unprintable.

Given the time that major harbour projects take to materialise in South Africa, however, I shall probably be past my three score years and ten before such things come to pass.

Serious and urgent thought, though, should be given to upgrading South Africa's fuel import facilities, especially in the light of the severe storm a couple of weeks ago that smashed seaside homes and, at its height, closed Durban and Richards Bay harbours. Through two sub-sea pipelines, the offshore buoy off Durban - a crucial element in the supply chain - feeds the two refineries in Durban and crude, discharged via that buoy, is also piped to a third refinery in Gauteng. With Sasol's facilities and the Chevtex plant at

Milnerton, those refineries supply most of the liquid energy - as well as many by-products - to southern Africa and the Indian Ocean islands.

Imagine if a storm were to carry away the buoy and the pipelines that, in any case, have had a few problems of late. Imagine too, that the 30-year-old pipeline bringing crude from the import terminal at Saldanha to the Chevtex refinery were also to fail. Since a large slice of the country's oil reserves were imprudently sold for a quick buck some years ago, reserves are lower than before, as anyone flying over the Milnerton tank farm will note from the rows of empty tanks. Perhaps industry folks will tell us whether the Saldanha storage facility is being put to optimum use. A mere shipping nut like me would want to know whether it and the empty Milnerton tanks are being topped up during those rare periods when the oil price dips.

I understand that an additional discharge buoy in a better position off Durban would cost around $20 million, perhaps a good investment, given the difficulties that would arise for the entire region should the current systems fail.

The first steps have been taken to replace the forty-year-old, 13-kilometre pipeline from Cape Town's tanker basin to Milnerton. Given the complexities involved, many winters will pass before the new pipeline is laid, but it will be more time-effective for the tankers to discharge directly into storage tanks in the harbour area, and additional discharge booms will also help. The current lengthy port stay for a tanker to discharge 30 000 tons of oil products, pumping the cargo through a long, ageing pipeline, makes little economic sense.

Contributing to delays to vessels - and ultimately to an inflated fuel price - is the frequent bunching of tankers at Durban - the main loading port - and at the discharge ports. A glance across the Cape Town roadstead will probably reveal loaded tankers waiting to berth, and vessels are known to have to wait a day or two off Port Elizabeth on numerous occasions. With global average charter rates hovering above $30000 a day for products tankers, delays caused by inferior discharge rates or bunching of arrivals prove expensive.

As summer activities get under way in the North Sea, a daily rate for modern oil rig support vessels in that market is around $90000, a situation engendered by a shortage of these specialist vessels that tow rigs, lay out rigs' anchors, carry stores - ranging from food to drilling pipes - and remain on standby close to the rig.

Bourbon Dolphin, a well-found Norwegian support vessel, capsized in the North Sea last week with dreadful loss of life, including the master's son who was on a work shadow with his father.

The accident rekindled horrific memories for Unicorn staff who dealt with the loss of their vessel, **Voortrekker**, under similar circumstances in 1993. Of the 12 crewmembers, two engineers and a greaser escaped miraculously after being trapped for two days in the capsized tender. Sadly, the greaser died shortly afterwards.

Such incidents highlight the fact that the oil industry, so vital to the global economy, has many complexities and inherent dangers.