

Countrywide LNG storage should be the way forward for a sustainable future - Capt. Zubair Janjua

*Exclusive Interview of Chief Operating Officer,
Fauji Oil Terminal Company Limited*

■ By Mustafa Tahir

EU: What is your educational background, professional experience and achievements?

Capt. Zubair Janjua: I am a professional engineer with specialization in Marine Engineering with experience spanning over 25 years of professional career. I am a Bachelors in Mechanical Engineering with Masters in Marine Engineering and War Studies. Having served in Pakistan Navy in Engineering core, I have been throughout involved in diversified engineering projects ranging upto multi-million dollars in value. One of my career achievements is having been involved in development of Pakistan's 1st indigenously built submarine in 2002. Currently, heading one of Fauji foundation's most important and successful companies i.e. Fauji Oil Terminal & Distribution Co. in the capacity of Chief Operating Officer.

EU: What is the nature and scope of FOTCO in Pakistan?

ZJ: FOTCO is the first and only private sector oil terminal in Pakistan located at Port Qasim established for handling the petroleum products being imported into Pakistan. The products handled at FOTCO include Furnace Oil, High Speed Diesel, Motor Gasoline and Condensate. The terminal has a capacity to handle 12 million tons of oil per annum. FOTCO's role is to provide berthing and offloading/ loading facility to oil marketing companies for their vessels calling at Port Qasim. FOTCO has a state of the art jetty unloading facility that is connected to each incoming vessel for offloading cargo which is then further connected to two 4km long pipelines connecting the offshore jetty to onshore termination point to which the storage terminals of various OMCs are connected.

FOTCO ensures efficient and safe vessel discharging to the storage tanks located within the Port Qasim area. FOTCO is also connected to PAPCO's white oil pipeline through which High Speed Diesel is transported to up-country.

EU: In our country, we are facing shortage of gas, what you suggest to overcome this?

ZJ: Presently, there is a significant demand and supply gap in the gas sector. There are various steps that can be taken in the short, medium and long term to overcome the shortage and keep up with the ever increasing demand. In the short term, there is a need to enhance the capacity of existing LNG terminals to facilitate additional imports. Currently, the terminals are capable to deliver combined throughput of 1.2 bcf/d of gas,



however, both the terminals have capability to further enhance their capacities upto additional 150 mmscfd each. In the medium run, we would need to establish one or two additional LNG terminals to bring in greater volume of imported LNG, since our existing resources are declining continuously. In the long term, we need to invest more in the exploration sector to discover additional gas reserves to reduce dependence on imported LNG, additionally, more investments in cross country pipelines and development of LNG storages countrywide should be the way forward for a sustainable future.

EU: Do you have any expansion and investment plan of FOTCO in future?

ZJ: FOTCO, in the last 4 years, has heavily invested in the LNG sector as well as oil sector. In 2017 we have laid 14km RLNG pipeline for PGPC LNG terminal for transmission of gas from PGPC LNG Terminal to SSGC delivery point. Secondly, we have just completed our oil storage terminal for storage and handling of petroleum products unloaded from vessels at

FOTCO.

In future, we further plan to invest in expansion of oil storage terminal and for any other upcoming LNG terminals. Additionally, we are also carrying out various feasibilities for potential investment in future in LPG, second oil jetty etc.

EU: What is the procedure of environment friendly oil handling at FOTCO? What are the safety precautions?

ZJ: FOTCO has implemented ISO certified safety procedures across all operations being carried out. The safety precautions include strict and extensive compliance of mechanical, electrical and instrumentation checklist prior every ship unloading/ loading, modern inspection procedures for pipelines and implementation of Preventive Maintenance Inspection. Additionally, we have installed oil spill boom to contain any oil spill from the vessels in case of emergency. Also, we have Emergency Response Plan in place to ensure safety of the plant, personnel and customer.

EU: Please brief us your CSR activities for Communities?

ZJ: FOTCO has been actively involved in CSR activities throughout the years

and undertakes variety of activities every year such as donation of Rs5.1 million for Diamer Bhasha Dam in 2018, donation for Pakistan Rangers, yearly donations to Foundation University building of school, plantation of 25,000 mangroves at RLNG pipeline site, plantation within FOTCO premises, provision of school uniforms and stationery items, environment protection initiatives.

EU: What reforms should urgently be introduced in the energy sector of Pakistan for its sustainability and to minimize financial losses of the sector?

ZJ: There is a dire need to introduce immediate reform measures in the energy sector of Pakistan as it is facing huge losses. The main deficiencies are: deterioration in Energy Mix, inefficiencies and high cost in generation, mounting circular debt, heavy reliance on subsidies. Immediate measures that can be taken in the energy sector are: Properly regulate the energy products. Balanced energy consumption mix. Bring existing capacities online, stoppage of pilferages, tariff rationalization, measure to contain losses and measures to procure LNG at competitive rates.

EU: What is your own personal point of view about the energy sector of Pakistan vis-à-vis its growth, sustainability, and up-grading?

ZJ: Energy sector is the lifeline of Pakistan's economy and the demand of energy is on a continuous rise. Energy crisis in Pakistan is mainly a management and not a capacity issue. Integrated planning of overall energy mix of Pakistan is the need to the hour. Development of indigenous resources to reduce dependence on imported fuels is the way forward to resolve the energy crisis and associate financial losses.

The energy sector of Pakistan is highly dependent on imported fuels which results in price uncertainty and exposure to currency devaluation impacts. The foremost focus of our country in the energy sector is to reduce its dependency on imported fuel and put more focus on the modern and renewable energies through indigenous resources such as hydel, coal, nuclear etc. there is a need to increase the share of clean energy in the overall energy mix. Furthermore, structural reforms should be undertaken to promote investment opportunities in the oil and gas industry.■

Bureaucracy blamed for petrol shortage

Oil companies and refineries have blamed the bureaucracy for current petrol shortage in the country, saying the indecision regarding import as well as enhancing local petrol production led to the current situation.

The Oil Companies Advisory Council (OCAC) on Sunday said that a "disinformation campaign and maligning of refineries and oil marketing companies (OMCs)" was a matter of serious concern.

"It is regretful that a lot of misinformation and blame game directed towards the Downstream Petroleum Sector has been observed particularly in the past two weeks which is unnecessary and counterproductive," it said.

The OCAC said there was an urgent need to review and analyse the inherent reasons for present shortages of petrol in the country which include import embargo in March, directives by the energy ministry to lift the same embargo in April and delayed approvals for imports.

It claimed the ministry failed to determine the rise in demand as the Covid-19 lockdowns were being eased

from May and there was tendency among consumers to move and drive around with exceptionally low oil prices, etc.

"We would like to highlight that a typical supply chain of petroleum products ranges 45-60 days whereas an increase of 82 per cent in June sales compared to April sales is significant, especially when there is heavy reliance on petrol imports which is associated with its various supply complexities such as securing appropriate quantities through International Suppliers/Traders, availability of bulk product carriers (ships) in marine freight market, port constraints, etc.," the OCAC said.

It claimed that the Downstream Petroleum Sector continued to be a responsible corporate citizen of the country and needed to be treated with respect in view of its huge contribution to maintaining energy security in Pakistan. "An estimated figure of current replacement cost that is loss for June is around Rs17 per litre which translates to around Rs18 billion for refineries and OMCs," the OCAC added.■



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