

# Offshore Pipelines & Control Lines Market Update Report 2009/13

The Fourth Edition of the Global Perspectives Offshore Pipelines & Control Lines Market Report, published by Infield Energy Analysts, provides an in-depth independent analysis of the global offshore pipelines and control lines sector. The reports covers the SURF market as well as the conventional and trunk pipeline markets.

## The Pipelines & Control Lines Market:

With the long-term prospect of increasing global energy demand, securing future energy supplies has become a common global issue. For those countries with dwindling production rates or low hydrocarbon reserves, the pressure for energy security is set to increase. Those with abundant reserves will strive to attract investment to enable adequate development to meet both domestic and foreign energy demands. As a consequence of these demands, we have seen growth in the offshore oil and gas industry since 2004. A lower price outlook and lack of available credit have questioned the future development of reserves, but growth in the industry is still expected to continue.

Pipelines and control lines installation trends have mirrored those of the larger offshore industry, representing their crucial role within the offshore oil and gas infrastructure.

Infield forecasts the total pipelines and control lines capital expenditure to exceed US\$265bn over the 2009 to 2013 period. This equates to 103,435km of lines being installed, of which 81,293km will be pipelines and 22,142km will be control lines. Combined, these represent an increase of 68% in installations on the previous 5 years. The forecasted increase will be dominated by growth in the pipelines market, with a significantly slower growth in the control lines market.

The next five years indicate a change in market demographics, in which all pipeline segments will hold fairly equal shares of the installation market. This follows a period in which conventional pipelines dominated the installation market; highlighting the industry's historically favoured shallow water developments. However, as shallow water production rates fall, the industry has sought to discover and develop deeper water reserves. As a consequence, SURF installations have grown in the previous 5 year period, and are set to continue increasing in the forecast period. The largest pipeline installation growth is expected in the trunk/export lines sector, further characterising the increasing demand to secure a diversified mix of future energy supplies.

Whilst growth is still expected in the control line market, a decline in communication line installations and slower growth in the power line sector will be seen compared to the previous five year period. The overall control line growth will predominantly be driven by an increase in umbilical and bundled pipeline installations. Both of which imply the continuing trend to replace installation of single control lines with combined multiple line installations.

The future for the pipeline and control line industry is expected to be strong with a variety of water depths, project sizes and locations expected over the next five years. For more information please see the **Global Perspectives Pipelines & Control Lines Market Update 2009/13 Report**.

## Who is buying the Market Update Reports?

Organisations range from fully integrated oil companies, national oil companies, contractors, service and supply companies, manufacturers and industry consultants located in over 40 countries worldwide. The market forecast reports are used by senior management, industry and financial analysts and consultants for strategic decision making

## Why you should buy this report:

- Infield's modelling process, OFFPEX, is based upon a unique "bottom up approach". The component by component, project by project process is robust and has a proven track record
- The report contains the latest information on the probable impact of the current economic circumstances on the offshore oil and gas sector
- Utilise the Infield five year forecast for strategic decision making
- It is an independent and up-to-the minute analysis of floating production systems sector
- Appraise the report's region by region, country by country, sector by sector capital expenditure and project numbers analysis for each of the elements within the market

## Report Contents

- **Summary & Conclusions** provides a comprehensive executive overview of the complete market sector
- **Global Market Context** reviews the drivers behind the pipelines and control lines business including such issues as the current credit market turmoil, oil price level and its effect on activity, primary energy consumption, analysis of proved oil and gas reserves and oil and gas production, offshore versus onshore market overview and the major supply constraints facing the industry
- **Regional Analysis & Forecasts** for each region (Africa, Asia, Australasia, Europe, Latin America, Middle East & Caspian and North America) analysis is provided by country, depth, material, diameter and market segment for pipelines and control lines by country and type
- **Sector Analysis & Forecasts** looks more specifically at pipelines by sector (SURF, Conventional & Trunk/Export lines) and type (Flexible, Rigid). Control lines are analysed by type and a more detailed analysis of umbilicals by region, water depth and type is also provided
- **Global Forecasts** provides a global forecast by region for pipelines and control lines, individually and combined
- **Appendices** provide case studies of major pipeline projects, each including maps produced by Infield's EnergyGateway Online Mapping & GIS System



## GLOBAL PERSPECTIVES

### Pipelines & Control Lines Market Update Report 2009/13

Global Perspectives Offshore Pipelines and Control Lines Market Update 2009/13

#### 2. GLOBAL MARKET CONTEXT

2.1 Introduction  
Throughout the series of Global Perspectives reports, published by Infield Systems Ltd (ISL) a number of the key trends facing the offshore industry are discussed. For the purposes of clarity each report covers a number of the issues that affect the sector. If further details and commentary on major issues facing the offshore industry are required then please contact ISL.

2.1.1 Supply & Demand  
The offshore oil and gas industry is just one sector of the wider oil and gas industry, and which is affected by the key components of supply and demand, and the relationship between the two.  
Currently there is continued growth in the demand for hydrocarbon products worldwide. This has mainly been driven by strong energy demand of developing countries, such as China and India and also by the growth in the economically crucial countries in Europe and the USA.  
This continued growth is deemed to be being seen at a time when the oil and gas industry is addressing significant supply constraints. These constraints are caused through a lack of availability of the installation systems, lack of skilled staff and a lack of manufacturing capacity. The lack of ship yards, the ageing market, partly due to the decommissioning of older tonnage from the 1970s and also because of the high cost of new tonnage, has led to a shortage of vessels with which to build. Further a shortage of vessels has led to increasing charter rates for specialist vessels. This is reflected in the number of new builds that are expected to enter the industry between 2007 and 2012. However, even with new gas exports with the industry question whether the oil and gas industry could sustain production over 85 years.

2.1.2 Offshore Market Overview  
In terms of the offshore sector of the oil and gas industry there has been significant growth in recent years, and is expected to continue over the next 20 years especially for the transport sector where non-hydrocarbon alternatives, such as hydrogen fuel cells are still early stage developments. However, the offshore market is still heavily dependent on the supply of oil and gas. The offshore market is still heavily dependent on the supply of oil and gas. The offshore market is still heavily dependent on the supply of oil and gas.

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#### 3.2 Pipeline Lengths and Water Depth

Figure 3-2 Pipeline Length (km) by Water Depth 2003-2012

Figure 3-3 Pipeline Length (%) by Water Depth 2003-2012

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#### 4.2 Pipeline

Looking at the segments of pipeline installations between 2003 and 2008, the market has seen a significant increase in the number of pipeline installations. This is due to the increasing demand for energy and the need for new pipeline capacity. The market is expected to continue to grow over the next five years.

Figure 4-2 Pipeline Length (km) by Market Segment 2003-2012

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#### 5.2 Major Project Case Studies

5.2.1 The Nord Stream (Primary & Back-Up Lines)  
The Nord Stream pipeline is a major project in the Baltic Sea region. It is designed to transport natural gas from Russia to Germany. The pipeline is expected to be completed in 2011 and will significantly increase the gas supply to Germany.

Figure 5-1 The Nord Stream in the Baltic Sea

5.2.2 The Baku-Tbilisi-Ceyhan (BTC) Pipeline  
The BTC pipeline is a major project in the Caspian Sea region. It is designed to transport natural gas from Azerbaijan to Turkey. The pipeline is expected to be completed in 2009 and will significantly increase the gas supply to Turkey.

Figure 5-2 The Baku-Tbilisi-Ceyhan Pipeline

## Searchable Online Projects Database

Purchasers of the Global Perspectives Pipelines & Control Lines Market Update will receive 12 months' free access to Pipelines Online. Pipelines Online lists major control line and pipeline projects being installed 2009 to 2013. Details about each project include:

- Operators
- Project Name (Route)
- Product
- Type
- Weight Coat
- Length
- Diameter
- Lay Type
- Vessel Type
- Water Depth

Major projects include; pipelines of 50Km in length and over; pipelines of 16" diameter and greater and 12.5Km in length and over. Major control line projects include; control lines of 25Km in length and over.

Subscriptions can be upgraded to include other pipelines and control lines of all lengths and diameters or other data sets on the Infield Offshore Energy Database.

## Offshore Energy Database

The Infield Worldwide Offshore Database provides detailed and up to date information about all offshore fields, worldwide. The earliest project on Infield is Bibi Eibat which came on stream in 1923 in Azerbaijan. The furthest ahead are decommissioning projects not expected to proceed for several decades.

Infield comprises 8,450 offshore fields in 127 countries, involving over 700 operators and more than 1,100 participant companies. Infield is updated daily so clients can expect to be kept informed of new information as and when it happens.

- Shallow Water Fields
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- Fixed Platforms
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- Subsea Equipment; Trees, Manifolds, Templates & Subsea Processing
- Trunk Lines, Pipelines Flexible Flowlines
- Control Lines & Umbilicals
- Single Point Moorings
- Specialist Vessels
- Field Operators & Ownership
- FPSO Owners
- Manufacturers

## The Infield Energy Analysts

Infield is an independent energy research and analysis organisation that is dedicated to the provision of accurate and up-to-date data, market sector reports, mapping, analysis and forecasts to the offshore oil and gas and associated marine industries. Infield services clients in over 40 countries from a wide range of organisations including E&P companies, contractors, manufacturers, government agencies and the financial community. Infield is widely acknowledged as the definitive independent information resource and has been involved in many US\$bn of merger, acquisition and transaction market due diligence.

### Other Global & Regional Perspectives Reports:

- Deep & Ultra-deepwater Market Update
- Pipelines & Control Lines Market Update
- Fixed Platforms Market Update
- Subsea Market Update
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- LNG / GTL Market Update
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