



Pipeline to growth opportunities in Brazil

A specialist offshore transporter of pipes for use in the construction of facilities used by the oil and gas industry, Consolidated Pipe Carriers (CPC) Pte Ltd might have a relatively short history but it has been far from moving along slowly in the business game.

Providing essential infrastructural services for the oil and gas industry with its global headquarters in Singapore, CPC is now actively doing business in many of the major oil producing regions of the world.

The company was incorporated in Singapore in 2004 by CPC Bahamas, which, in turn, was originally operated out of Denmark in 2000.

"The move to Singapore as its worldwide headquarters was primarily due to the nation's conducive business environment, which has taken the company to a higher level of growth," says Mr Alvin Lim, CPC's managing director. "By establishing its headquarters in Singapore, this has also helped open our doors to astute local investors."

Since CPC was incorporated in Singapore, it has posted a steady growth. In 2007, the company's revenue was in excess of S\$40 million. Based on the results up to the third quarter, projections for 2008 will see revenue of S\$120 million with profit margins of nearly 25%.

The spread and diversity of the oil and gas industry has taken the company far and wide. With a staff strength of just 50, CPC is today executing projects in countries like Qatar, United Arab Emirates, Saudi Arabia, India and Madagascar. Work in Australia will start in 2009. Its rich mix of employees - from 15 different nationalities - has also given the company the inherent ability to adapt to each of the different operating environments and the unique

challenges for each of the project locations, says Mr Lim.

Recently, it also made a move into another large market - Brazil, a market where CPC has been exploring since 2007.

While many Singapore-based companies are aware of the opportunities that the Brazilian market can bring, they are also hesitant because of differences in language and culture.

"It is very important to first understand and subsequently embrace the Brazilian culture before even thinking about getting to the point," offers Mr Lim. "Brazilians find it offensive when meeting an aggressive foreigner or 'gringo'. People need to be comfortable with one another before getting down to business; to a certain extent, doing business is like a social interaction in Brazil," he says.

Early this year, CPC was awarded a contract by specialist underwater engineering firm, Acergy, to transport pipes some 145 kilometres long for a gas field owned by Petrobras, the dominant energy company of Brazil.

CPC's portion of the work in Mexilhao Project, as this undertaking is called, began physically in July 2008. It consists of 138 kilometres worth of pipes in the sea, and 7 kilometres on the beach. The field, which is expected to churn out 15 million cubic metres of gas per day, is scheduled to begin production in 2010.

Even before the last pipe has been shifted, the company is already looking ahead. "CPC is actively seeking other projects for next year with a long term view of establishing our brand name and services in Brazil," says Mr Lim.

However, while the oil and gas industry has witnessed a fantastic run over the last few years, the road ahead is not going to be entirely smooth.

Just like any company in the current business environment, CPC is more than aware that gloomy economic conditions are already here, and may be here for quite a while. The company is unfazed, as it believes it is well-prepared for the challenges and well-set to take advantage of opportunities that might come by its way.

"We've already started on the path of creating more cost effective ways of servicing our clients," says Mr Lim.

"We believe our latest development of efficient pipe carriers will not only improve our competitiveness but also lend support to being more environmentally friendly. We are still positive that many of the world's energy development projects will go on so long as oil and gas remain the main source of our energy needs," he adds.

The company already knows where it wants to be in the long term. "It is CPC's vision to continuously be the world's leader in bringing to our customers innovative products, services and solutions that add value and exceed clients' expectations," says Mr Lim.

