

PROGETTI EUROPA & GLOBAL (PEG)

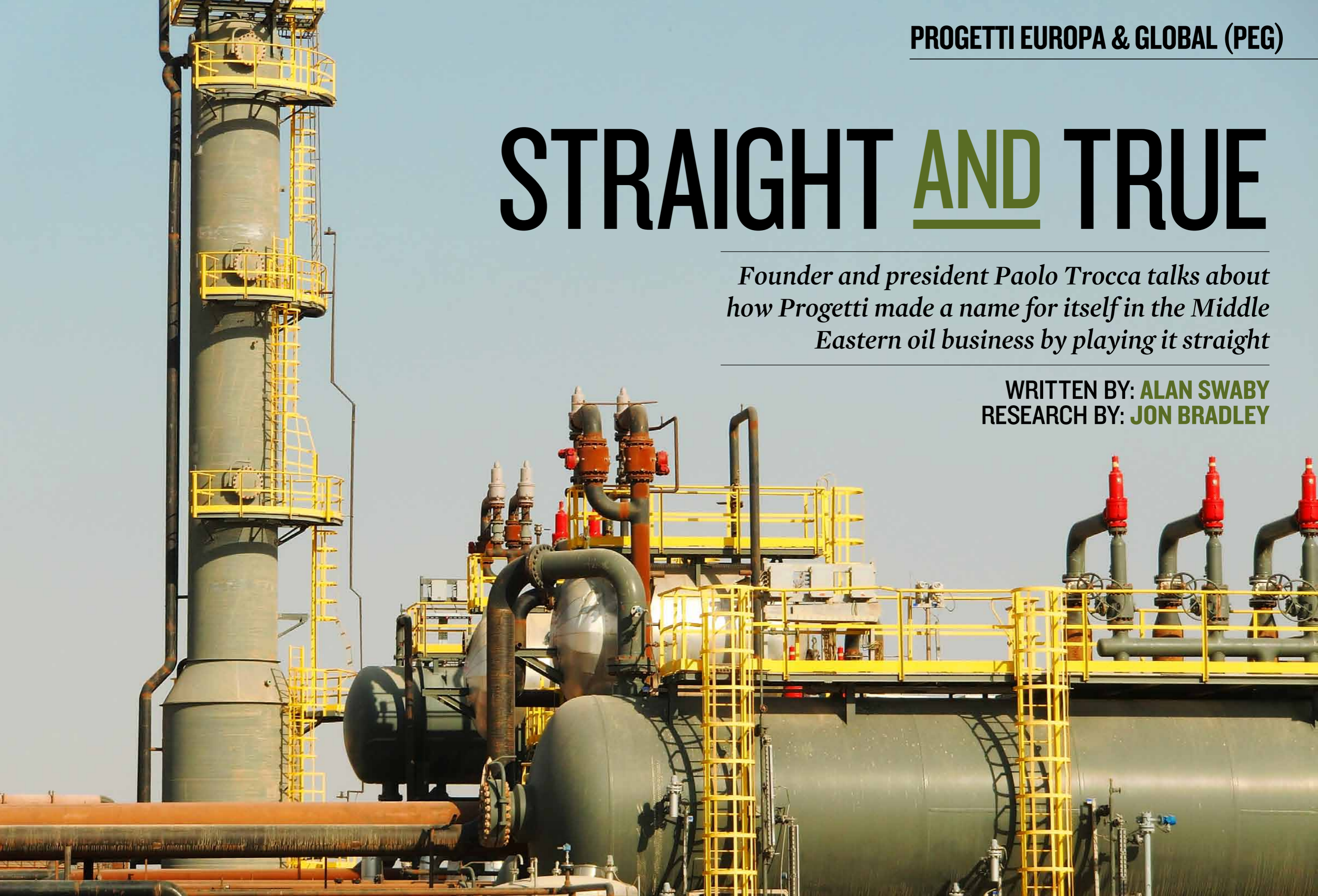
STRAIGHT AND TRUE



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Founder and president Paolo Trocca talks about how Progetti made a name for itself in the Middle Eastern oil business by playing it straight

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There is an oil and gas industry in Italy – but not much of one. In 2008, the BP Statistical Energy Survey estimated oil production there at an average of 121,000 barrels of crude oil per day or 0.15 percent of the world’s total.

On the other hand, though, Italian engineering companies do have a real presence in the oil and gas world, where the six legged dog logo of ENI is particularly well known throughout Northern Africa and even as far afield as the US and China. On a more modest level is Progetti Europa & Global (PEG), a Rome based, family owned engineering company that has been doing business in the Middle East and Northern Africa for 40 years.

“There are two distinct sides to our company,” says founder and president Paolo Trocca. “We do a lot of front end engineering design and PMC (project management consultancy) for infrastructure projects but the majority of the time we are involved with engineering and supply of GOSP (gas oil separation plants) for the upstream oil and gas process.”

PEG’s first contribution to the oil business was concerned with providing engineering services, but when many years ago it was asked to design and build a complete oil metering package, the company took the opportunity and never looked back. These

days, almost all the work done for the oil and gas sectors involves the engineering, supply and commissioning of specific modules and in some cases their installation as well.

“When units such as sulphur recovery units, ammine plants, etc, are included in the scope of work we do not create something new,” says Trocca. “In these cases we can buy the basic design from the holders of the technological intellectual property and build the equipment according to the plans we receive. Having said that, on our metering

systems, although we do use proprietary components, we have developed our own exclusive software which controls how these components work.”

Rather than new technology, what PEG does like to offer is old fashioned professionalism. “We like to remain absolutely straight and always work to the highest standards,”

says Trocca, “doing our best to meet the agreed delivery dates.”

Another official pat on the back occurred at the start of the year when PEG was awarded the first EPC project issued by SCOP (State Company for Oil Projects) in Iraq, since the 2003 war. The €72 million contract to build a new pumping station at Al Habaneya, not far to the west of Baghdad is also at the upper end of projects ever tackled by PEG and due to be completed by the end of February 2014.

Interestingly, PEG has opted to take on

**€72
MILLION**

.....
**Contract to build a new
pumping station at Al
Habaneya**



Site survey during construction works



Crude oil stripping column

180 KM

Super-highway between the Tunisia/
Libya border and Egypt

work involving fabrication without its own manufacturing facilities. In Trocca's eyes, this gives the company the maximum operational flexibility possible while at the same time removing the need to make heavy investments in plant and equipment and the responsibility of keeping a factory fully occupied.

"We do like to subcontract fabrication to Italian companies," he says, "but we don't have any regular arrangements with particular businesses and in any case, fabrication in Italy is not always possible or practical. Sometimes, clients want to increase the local content of a contract and then we find suitable fabricators closer to the project site. At other times, the cost of transporting especially large modules outweighs the value of the equipment, so again it makes sense to manufacture near the site. This business model gives us great agility but it does place considerable responsibility on our inspection teams to make sure that things are done as they should be."

Coming back to the different types of activities PEG runs, it's not easy to compare the contribution to the company from the two sides of the business. Certainly, the oil and gas sector brings in the majority of revenue earned as it contains a considerable



Dehydration and desalting unit

element of materials and capital equipment, while the management and engineering services purely reflect manpower used. The latter is useful, however, as it provides Italian based income, but as expenditure on infrastructure has been hit by austerity measures there, looking outward is much more rewarding.

Trocca is anticipating the time when three members of his family who are in their forties, will take over full control of how the business is run. "We know," he says, "that to lift our company from the €40 million bracket, where we are at the moment, to an €80 million level, we shall have to broaden our horizons both geographically and in the scope of work we handle."

No doubt PEG will be hoping for more contracts like the recently announced super-highway between the Tunisia/Libya border and Egypt – an 1800km three lane road across the top of North Africa for which

Progetti as part of an Italian consortium has won the PMC contract.

The company has already identified gas treatment as a growth sector as nuclear energy is scaled back and replaced by gas powered power plants. Trocca envisages that the same professionalism that built PEG's reputation with state and private oil companies will serve it well in taking on tier 2 projects for key modules of the plant involved with gas production. "Thirty years ago, it was the relatively modest work we were doing on oil metering systems that got the business recognised and opened the door to bigger things and we will be working towards the same scenario again in the coming decades." ■

For more information about Progetti Europa & Global (PEG) visit: www.progettieuropa.it



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