

As Turkey gains importance in the global energy and oil trade, the Ceyhan region is becoming key for storage operators, especially Delta Petrol, currently building the Mediterranean's largest independent terminal

Delta Petrol boosts Ceyhan capacity

Formed in the 1980s, Delta Petrol is the leading independent oil products storage and logistics company in the region. Its customers are international oil majors, international oil trading companies and some regional companies. It engages in long term relationships with its customers and has structured its services to minimise the effects of the volatile spot market conditions.

The group has tank storage infrastructure in Ceyhan, Turkey, as well as in Poti, Georgia, (over 750,000m³), and is planning an additional 450,000m³ in the next five years.

Earlier in 2008 Delta completed a large expansion project in Ceyhan from 300,000m³ to 625,000m³. To strengthen the demand for long haul voyages and international oil trade hub vision, Delta will build a full jetty structure at Ceyhan to accommodate vessels up to 165,000dwt, which is targeted to be completed by end 2009 or the beginning of 2010.

Delta has secured the investment for the project, which amounts to an estimated \$75 million (€51 million), through a division of World Bank, International Finance Corporation (IFC) and the remaining amount through equity funds to accomplish its growth plan



Delta has over 750,000m³ storage capacity in Turkey and Georgia

strategy to make Ceyhan a strong and developed international oil hub.

In Poti, Georgia, Delta has already completed two phases of expansion and now has 120,000m³ of capacity.

As a result of the recent hostilities between Russia

and Georgia, Delta Petrol is on high security alert. But, having invested \$35 million in Georgia since 2000, the terminal is by no means giving up on its assets. Despite the temporary instability its terminal continues to be one of the main gateways

of the Caspian oil to the international markets.

'Georgia is a place that you cannot reconsider your investments, due to its strategic location,' says Sami Habbab, executive board member, Delta Petrol. 'Georgia is a hub for energy



Delta has the capacity to handle over 10 million tonnes of product a year



Sami Habbab, executive board member, Delta Petrol

investments. Due to the trade volumes between Turkey and the surrounding regions we will operate in this area for a very long time. The region has a key strategic importance for our projects.' Delta's expansions are targeted mainly in the Black Sea, Mediterranean, Middle East and recently in parts of Africa and the Arab Gulf, where it has the capacity to expand in more than one business line to formulate an integrated approach to new target markets.

Delta has the capacity to handle over 10 million tonnes of product throughout the year and operates over 200 vessels a year. In addition to its storage activities, since 2000 Delta has also been developing an oil distribution network. The company has over 200 dealers and is forming a retail petrol station network throughout Turkey using the internationally renowned Gulf brand.

Turkey is an active market for oil consumption – the total market size is over 25 million tonnes and half of the demand is in diesel and petrol consumption. The market has grown consistently in high single digit figures and has offered multiple opportunities for the development of the distribution market.

The infrastructure in the region has also been growing to cope with demand, although this is mainly owned by distribution companies, leaving little room

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for independent players.

The formation of the Energy Regulatory Body (EMRA) has enabled the emergence of a well defined energy policy and control mechanism. New regulations have been introduced to cope with the needs of the nation. For example, the introduction of compulsory inventory stock holding has increased the need for storage space need in the country.

Distribution companies are now obligated to hold storage for 20 days and

refineries for about 40 days of its total monthly sales. Companies are now focusing on optimising stock holdings and infrastructure companies are offering new services to distribution companies as a result.

Delta is heavily involved in trading and logistics in the Mediterranean, Black Sea, Caspian and Arab Gulf where it has trading relations with the regional producers as well as consumers and has established local offices to leverage its local

network and know-how. It has a customised MIS systems to follow land, rail and sea movements as well as specialised teams to mobilise logistics management knowledge to the required locations.

Based on its local expertise, management know-how, global oil market understanding and international banking lines, Delta is able to perform regional trade and logistics activities to reinforce its strongly integrated position in the international oil markets.

Recently, Delta has also initiated a complementary business line to its current business, by starting bunkering activity around its infrastructure base. Through its expertise in storage and handling, coupled with vessel and barge experience, Delta is in the midst of investing in bunkering service infrastructure and is attracting international bunker players to service its captive markets, where strong growth is expected to be seen in the coming years.

Finally, as a vision of the future and regional leadership, Delta has also recently invested in biodiesel production and agricultural cultivation to support the development of alternative energy supplies. It has pioneered its effort to build an international and latest technology production facility and wants to integrate farming and supply distribution regionally. ●



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