

# **Russia – Ageing Gracefully?**

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**MENSOR**



**OIL PETROCHEMICALS AND ENERGY RISK ASSOCIATION**

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# Winston Churchill

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I cannot forecast to you the action of Russia. It is a riddle, wrapped in a mystery, inside an enigma; but perhaps there is a key. That key is Russian national interest.

# Credentials

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- > 30 years in oil, petrochemicals and energy industries
- > 20 years in Russia
- > 12 years surveying
- September 2011 former Mensor
- Russian/British engineers
- Independent
- International Quality Reports

- A Brief History
- Coping with Aging
- What's Changed?
- What can be Expected?

# A Brief History

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- Major Industrial Development: 1930 - 1980
- Oil Refineries/Petrochemicals: 1950 - 1980
- 1980s – Last Days of USSR; little investment
- 1990s – First days of Capitalism; little investment
- Result – Aged Assets

# Coping with Aging

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- Large Design Margins
- Conservative Operation <100%
- Well Educated & Experienced Personnel
- Planned Preventative Maintenance
- Annual turnarounds
- Remnant Life Inspections
- Strict State Control (Rostekhnadzor)

## Other Positive Factors

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- Good Layout
- Simple Processing Schemes
- Smaller, Multiple Units
- Limited Natural Perils
- Flat Sites
- Good Separation from Other Risks
- Safety Declaration
- Independent State Fire Brigade

## **Increased Emphasis on Profitability “Westernisation”**

- Benchmarking
- Optimisation of Workforce
- Outsourcing
- Increased Run Lengths
- Risk Based Inspection
- Demilitarisation of Fire Brigade



## Positive

- Construction of New Units
- Replacement of Old Equipment
- DCS
- Improved Inspection
  - ❖ Remnant Life Inspections
  - ❖ Risk Based Inspection
- Improved Maintenance Techniques
  - ❖ Vibration Monitoring
  - ❖ Pre-pop Testing

# What is Changing?

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## Upgrades to Meet Latest Standards

- Addition of ESD Systems
- Addition of ROVs
- Additional Fire & Gas Detection

## Insurance Issues

- Business Interruption
- Losses

## The Missing Elements

- Predictive Maintenance Techniques
- Monitoring of Contractors
- KPIs
- Management of Change
- HAZOP
- SIL Analysis
- Analysis of Losses
- Better Inspection/Analysis
  - ❖ CUI

# What Can Be Expected?

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- Many New Units
- Some Very Old Units
- Pressure to Increase Margins
- Increased Losses??



# **MENSOR**

## **The Surveyor**

# **Thank you for your attention**

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