



"Double wall conversion is key for tanks." Interview with Wolfank Adisa

Interview with Niels Knoops-Wesenick, Chief Sales Officer at Wolfank Adisa GmbH. We discuss the company's expansion plans, unmanned solutions for fuel tanks, and how the toughening of environmental standards is affecting their business, among other topics.

Wolfank Adisa has been involved in tanking technology and systems for over 30 years. They currently have over 25 international partners, and have transformed more than 20.000 tanks from single to double wall.

Through the years, Wolfank Adisa has expanded its services and entered different lines of businesses. Regarding gas stations, what are the key services that the company currently offers?

Wolfank Adisa as a group has three main branches of activity. One would be the development, production and sales of specialized products and related systems to customers worldwide. Another is the European installation and maintenance branch; and the third is environmental technology and engineering, which historically has been concentrated on the Italian market.

Internationally, our key services are the sales of dedicated innovative technology, such as tank conversion to double wall and unmanned solutions to oil companies worldwide through the building of partnerships.

Although you operate all across the world, your biggest market remains to be Europe. How do you assess the current situation of the European fuel retailing industry?

Indeed, we have our historical roots in Europe, as the companies Wolfank Systems and Adisa were established in Italy and Switzerland in the eighties, and although we are slowly shifting towards other regions, it remains to be essential for the company.

Despite the overall number of retail service stations not growing, margins on fuel sales being challenged by taxes and the presence of new energy technologies, such as LPG, CNG, hydrogen or electric vehicles, the market is well established, the players are known and some of the world's leading companies can be found here.

What are biggest challenges when entering new markets, such as Asian countries, Africa or Gulf states? Accommodating products to the legal standards of each country? Is it hard

to find suitable partners?

The entry challenges are manifold and very different in each region. When it comes to our main product, tank lining, the local requirements are completely different even in some countries of the regions aforementioned. A tank lining standard in South Africa will not be the same as in Kenya, nor will it be the same as Japan. Until a couple of years ago, many countries of the world were still installing single walled tanks.

The main challenge for all key players, i.e. our customers, the oil companies, and us will always remain to be the ROI. The decision whether a partner is suitable is often determined by external factors: is there a need to use our products related to the local law, guidelines and standards? How big is the market related to the initial investment? What are the existing local responses to these requirements? Etc.

What new markets is Wolftank Adisa trying to enter? Which seem the most promising in terms of business?

We are currently having our focus on Africa and Asia, with some activities in the Middle East. With China having a closer eye on the environmental conditions of their service stations, I would say this is definitely one of the most promising developments when it comes to business. Also, the retail network development across Africa is increasingly demanding established and high-end technology in the next few years.

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As environmental regulations strengthen across the world, new opportunities arise for companies involved in storage tanks and leak detection. Do you expect more and more areas of the world to harden their stance on these issues? Does that provide positive opportunities for the company?

We are seeing an increasing trend of stricter environmental requirements for all market participants. The global leak detection market is estimated to be at \$2.7 billion by 2020 and it is expected to have a growth of about 7% between 2015 and 2020. Among others, you can see this in countries such as China, Turkey and many African nations. Industrially-developed countries like Australia and Central Europe are also pushing the priority and importance of environmental regulations. Indeed, this provides us with good business opportunities.

How important is it to develop unmanned systems for fuel stations and USTs?

It is of the utmost importance to the industry, given the history that our industry has with near misses, accidents and fatalities during operations on underground storage tanks. In order to work safely on a service station or in a tank depot, all risks need to be known, assessed and mitigated. There may be very trivial roots of cause for an accident.

We at Wolftank Adisa have a Behaviour Based Safety tradition, which combined with a zero risk

tolerance leads to sustainable and very high safety awareness. Thus, we consider that the avoidance to have human individuals working in an underground storage tank is a game-changer. We have the target to be at the forefront of this technological development.

For the last year we have had very low oil prices, causing major budget cuts in international oil firms. Have you noticed a decrease in investment coming from the major oil companies? How has that affected the retailing sector?

We have seen general budget cuts as a counter measure to a low oil price throughout the oil & gas industry in the past 2 years, but that is not necessarily negative for retailers. The fuel retailing sector often benefits from longer periods of low oil prices as consequently their purchasing price drops and leads to a higher manoeuvring margin, opening up opportunities to invest in maintenance, repair and services. Companies such as ours partly benefit from this situation as well.

The low oil price largely affects major oil companies running both upstream and downstream operations, as they cover the entire value chain and the difference in price, as well as the period of the “Baisse” can be very decisive on their actions.

A general trend over the last years has been major divestment projects of retail station networks by major oil companies in Europe, selling smaller or larger packages to the private sector. This is a challenge in terms of keeping the business relationship with the new owners and being able to continue offering installation upgrades with our work force.

Does the increase in use of biofuels pose new challenges for tank technology?

Certainly. When storing biodiesel you will find microbiological cultures on the bottom of the tank, which may increase corrosion. Bioethanol is binding water strongly and concentrating the influence of water and its condensation on certain areas of the tank, resulting in a progressive corrosion effect. Of course, it depends on the content of alcohols such as ethanol and methanol in fuels or the rapeseed (RME) or fatty acid methyl ester (FAME) contents in diesel. Steel or GRP quality are challenged and the difference in quality may have an effect on the internal steel wall thickness decrease, compared to standard fuels.

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What are the major benefits of converting a tank to double wall instead of replacing it?

There can be different reasons as to why a tank has to be converted or replaced: a change in the normative situation, the tank's lifetime may have ended, the tank might be malfunctioning, or a change of ownership of the stations. In all cases, a tank double wall lining or conversion is economically more attractive than its replacement due to 2 main reasons: The indirect costs of a tank replacement and the time factor.

Replacing a tank can take up to 3 times as long as converting it and usually the site is completely closed. Depending on the local conditions a tank can be converted while the site is still operative with

the necessary safety measures, while replacing a malfunctioning tank that has recently been installed will have an impact on the company's profit if it is not fully written-off.

There are several technical reasons why a double wall conversion by lining is comparable to a new tank as its performance of storage remains, and it is isolated of any internal corrosion progression. More than 17,000 converted tanks with our systems support this fact.

What are the company's future plans?

We will establish ourselves internationally as a high-end solution provider for unmanned underground storage tank cleaning, inspection, repair and lining. These solutions include methods and products as well as robotized equipment for all services.

We have been exploring and serving this field throughout more than 30 years. Our experience and expertise working in and on underground storage tanks have helped to launch 4 different types of robotized cleaning and blasting systems. In the near future we will be able to offer unmanned inspection methods for UST's.

Interview by Oscar Smith Diamante