

2.2bl It of diesel moved through new Durban to Gauteng pipeline

Late last week, TimesLIVE reports, Public Enterprises Minister Malusi Gigaba launched the last stage of phase 1 of the R23.4-billion new multi-product pipeline project between Durban and Gauteng: the building of a terminal at Island View, inside the Port of Durban.

The project - one of South Africa's biggest infrastructure jobs, employs more than 12000 people and involves the laying of a 555km pipeline to transport diesel, jet fuel and petrol from Durban to Gauteng.

Gigaba released a special review of the cost and schedule variations that dogged the early part of the project. The cost of phase 1 of the project is now at R23.4-billion while, in 2006, it was estimated to cost R9.5-billion. He said that in its early stages, the pipeline had faced lack of capacity and in-house expertise, an overly ambitious timeline and an underestimated budget. In addition, a decision to dispense with the main engineering and construction management contractor at the end of the initial design stage, had added to costs and the delays.

Gigaba said the government had learned lessons from the project, and he had established a capital projects unit in his office to oversee all capital projects. The pipeline already supplies 40% of Gauteng's fuel, expected to rise to 65% in five years and, even at half its capacity, it has already moved 2.2-billion litres of diesel since January, which is equal to 200 trucks a day transporting fuel over the period, TimesLIVE says.

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