

SNC sets sight on series ships

Drawing on more than a century's shipbuilding history, SNC – Romania's and the Black Sea's biggest yard – has embarked on a post-privatisation project to build a name for itself in the tanker and gas building sector.



SNC believes it has found a niche for itself building tankers of around 40,000dwt

SANTIERUL Naval Constantza (SNC), which re-started newbuilding activities at the end of 2003, believes it has spotted a gap in the market and developed a project to build a new type of 37,000–41,000dwt IMO 3-compliant oil/chemical tanker. In October 2002 the state-owned yard was privatised, with Marshall Islands-based Resource International currently holding 93%. In 2003, the tradition-rich shipyard returned to a positive account balance after six consecutive years of losses.

The type of vessel SNC now focuses on was chosen according to a market study by Clarkson Research. Analysis of this oil tanker segment showed good market potential and a fair amount of interest. That has been borne out by increasing orders and acceptance of rising prices. "Only a few shipyards in the world have become specialised in building this type, and SNC is becoming one of them", the yard's MD Radu Rusen told *Solutions*.

Romanian design company ICEPRONAV drafted the initial design, which was then improved in collaboration with owners and oil companies. The 41,000dwt ships have a tank capacity of 49,000 m³, which is seen as a very good ratio. "As far as we know, this is the biggest volume presently offered for ships of this class", Rusen says.

To start with, two vessels and two options were contracted, but now the yard's orderbook comprises six units with four options, covering

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the builder's capacity until the middle of 2008. The first six newbuildings will be managed by Histria Shipmanagement, while discussions with Greek, Turkish and German parties are continuing about the remaining four units.

At the same time, SNC is developing other projects in the oil/chemical tanker and bulk carrier fields. "We have asked for a new market study in order to decide what direction we're going to take and what will be the next new project to develop", Rusen revealed. Ship types being considered are Aframax tankers and ore carriers either of a Handymax open-hatch or Panamax size. Another project, to be carried out in co-operation with a German partner, is a contract for four 17,000m³ LPG tankers for delivery by the middle of 2009.

What is unlikely to change is the policy the yard adopted after privatisation, which dictates that series building is to be preferred over one-off projects.

Repair work is important for the yard and the future plans stipulate this activity, too. Two years ago 80% of SNC's business was repair work and just 20% newbuilding. Today the figures are 40% and 60% respectively, but repairs will remain important because of the yard's ability to accommodate ships of different sizes and types using two floating docks and one

of its drydocks for repair. Altogether, 120 ships were worked on last year, with sales surpassing \$20M, and this year's figures are heading for a similar total. Repair customers are mostly Black Sea and Mediterranean-based, including a fair share of Greeks, but there are also clients from Germany, Italy, the US and Syria.

This year saw the fruits of an initial \$2M investment in the form of a new blasting and painting hall with two large enclosures for ship blocks. Investments have also been made in the infrastructure network and a new administrative centre. The latter is designed to allow all staff to work together rather than be housed in different locations around the site. "The results can already be felt; people work better in a team and can take quicker decisions", Rusen says. Other investments include more than 200 items of semi-automatic and automatic production equipment.

Despite these upgrades, Rusen says that the shipyard's capacity still can't be related to the capacity of the equipment but remains tied to the capacity of the workforce. The critical element in all shipyards is the workforce, especially skilled and specialist workers, he points out. For the time being, SNC's limitations derive from the labour force, and in order to increase efficiency the management is trying not only

to attract a greater number of sub-contractors, but also implementing modern technologies and more efficient use of working hours. "We are trying our best to increase the capacity of the workforce in order to use the full capacity of the equipment", Rusen explains.

Privatisation was immediately followed by a period of employee reduction, with the former 2,700 workforce cut to about 2,000. With the start of newbuilding activity, the yard has taken on new skilled staff so at present there are 2,350 workers directly employed by the yard. The number of the sub-contractors has also increased: the yard is currently working with about 1,200 from about 50 companies.

Besides trying to employ younger people to reduce the average age of the labour force, SNC management is running qualification courses for some non-qualified staff. There are also programmes to attract students from local secondary or vocational schools, to attract highly-qualified personnel such as students at specialised universities who could work part-time, and to offer sponsorship.

Meanwhile, reduced labour costs continue to keep SNC and other Romanian yards competitive, even in the face of increased steel prices – a trend affecting the Romanian market more severely than any other. **15**

SNC's profitable project

Moving from its tradition of building 173,000dwt Capesize bulk carriers in the middle of the 1990s and short runs of specialised ship types, including LPG tankers of up to 5,600m³ and cellular container vessels of 1,100TEU, SNC is now focusing on a medium-size tanker class with double-hull configuration, able to carry oil products and chemicals according to IMO 3 type.

When *Solutions* went to press, the first unit, which is to be named *Histria Perla*, was in the final fitting out stage. Designed by domestic company Icepronav and classed with Germanischer Lloyd to its lowest ice class E, the vessel has been laid out to carry 37,500dwt on a design draught of 10.5m and 40,000dwt on a maximum draught of 10.9m.

The 180m loa, 32.2m beam tanker is fitted with 10 cargo tanks served by 10 hydraulically-driven centrifugal deep-well pumps of 500 m³/h capacity each.

Powered by a two-stroke single-acting MAN B&W engine type 6S50MC-C, the ship will reach a speed of 15kt (90% MQ), at which a cruising range of 11,000 miles has been calculated. The main cargo tanks are symmetrically arranged with five on either side. While the first two tanks have a smaller capacity of 3,550m³ each, the volume of the other tanks amounts to 2 x 4,900m³ for pairs no 2 and 5 and to 2 x 5,100m³ for pairs no 3 and 4. The slop tanks – one 400m³ unit arranged port and a second one of 600m³ starboard – are served by two pumps of 200m³ each. The total tank volume, including slop tanks, is thus 48,100m³. Cargo with a specific gravity of 0.86/m³ can be discharged at a rate of 3,000m³/h, and the minimum loading rate is given as 3,750m³/h. Every pair of tanks is served by two pumps connected to one common discharge line and one of a total of five manifolds which have been arranged according to OQMF rules. Electricity is provided by three diesel generators of 960kw each.

