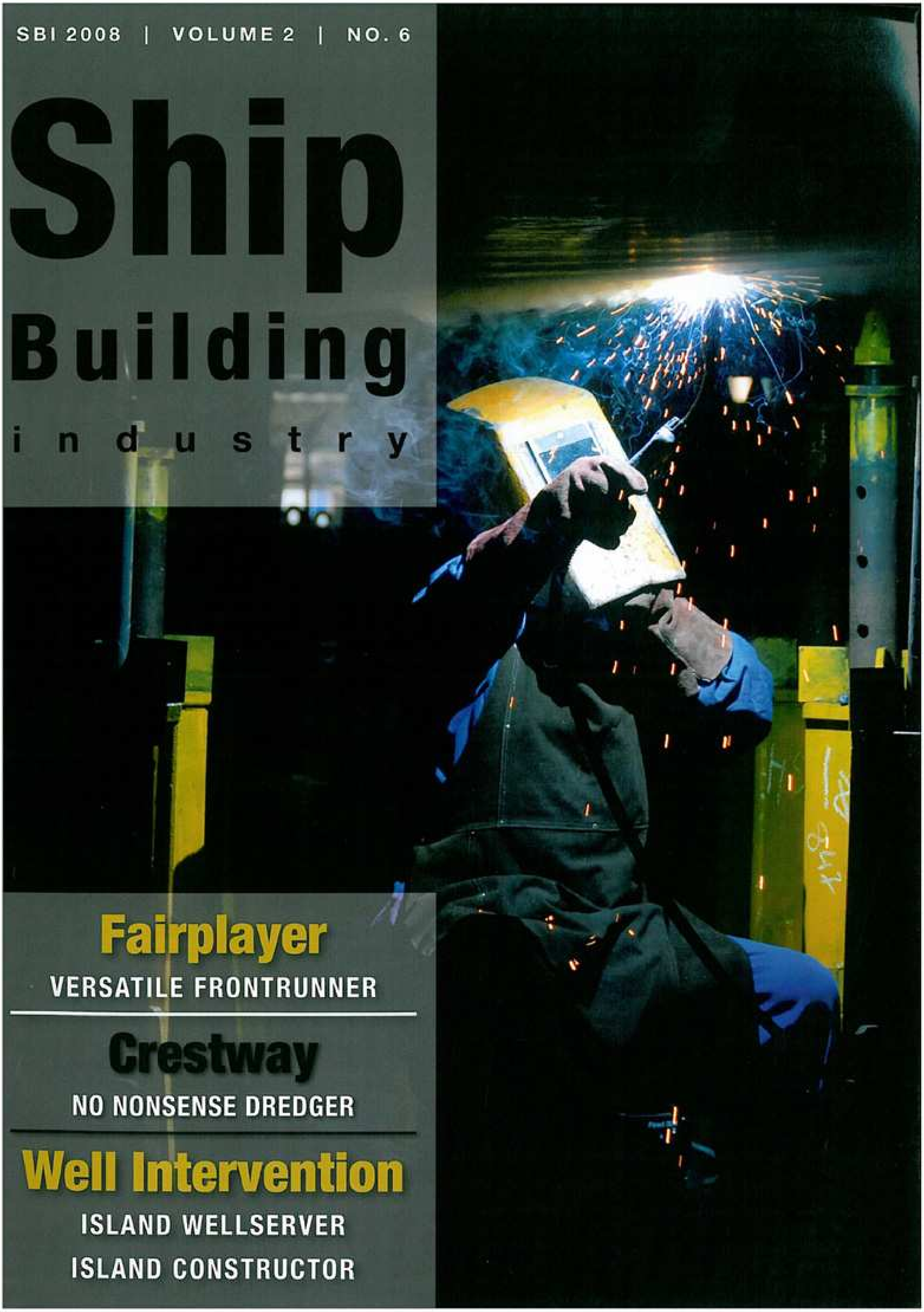
SBI 2008 | VOLUME 2 | NO. 6

Ship Building industry



Fairplayer
VERSATILE FRONTRUNNER

Crestway
NO NONSENSE DREDGER

Well Intervention
ISLAND WELLSERVER

ISLAND CONSTRUCTOR

Ship Building industry

CONTENTS

Volume 2, Number 6

SPECIAL FEATURES

INTERVIEWS

SHIP REPORT

COMPANY PROFILES

PAINT SYSTEMS & COATINGS

AUTOMATION, ALARM & MONITORING SYSTEMS

REGULARS

Front cover: Welder at work at Constanta Shipyard (Photo courtesy of Dennis Vinkoert).

Left page: View of the plate steel handling hall of Constanta Shipyard (Photo courtesy of Dennis Vinkoert).

Constanta Sh

Tradition And Innovation

Located in the Black Sea area, Constanta Shipyard in Romania has a long tradition in building large vessels. More than a century of vast experience has ranked the yard among the largest new building and ship repair yards in Europe. Alexandra Cacioianu reports. Photography Dennis Vinkoert.

ipyard

Constanta Shipyard is a company with a tradition of over 115 years in shipbuilding, ship repair and conversion of ships with a capacity up to 200,000 dwt. Founded in 1892 as a repair shipyard, Constanta became the main spot for large size ship repairs in the Black Sea, and one of the most important shipyards in the East of the Mediterranean Sea in a relatively short time. In 1970, as a result of an infrastructure and production facility development programme, the shipyard specialised in large shipbuilding. It started building bulk carriers ranging from 55,000 up to 165,000 dwt and oil tankers of 85,000 up to 150,000 dwt. Important partners such as Safemarin, Exim-Bocimar and Deiulemar signed contracts for Capesize type bulk carriers up to 175,000 dwt.

New Potential

In 1996, Constanta Shipyard had difficulties in financing large shipbuilding projects. As a result, the strategy and building activity changed from heavy vessels to smaller ships, like containers, Ro-Ro vessels, gas carriers and drill suppliers of less than 50,000 dwt. In October 2002 the privatization of Constanta Shipyard took place. Resource International S.A., a financial institution which organized the acquisition and the financing of the necessary investments, took over the majority of the shares. Constanta shipyard was reorganized and a modern management, based on the human resources valorisation and customers' satisfaction, was implemented. In 2003, after a market research to identify and exploit new potential niche markets, and after finalizing the first investment stage, Constanta Shipyard restarted its activities in shipbuilding, focusing on the building of oil/chemical tankers type IMO II and/or IMO III, with a weight of 41,000 up to 50,000 dwt.

Conversion Projects

All types of necessary repairs can be executed, such as general and dock services, steelwork

repairs, blasting and painting of ballast and bulk tankers, hull repairs, electrical and mechanical repairs and pipe works replacements. The activity of Constanta Shipyard regarding ship repair and conversion consists of annual repair and conversion projects, with an average of about seventy vessels each year. The yard aims at maintaining its market share (about 20% of the Black Sea basin) with regard to the repair sector as it is estimated to be the greatest ship repair yard in the Black Sea and the East of the Mediterranean Sea. They also strengthen the sector by developing many conversion projects, like the tank conversion from 'single hull' to 'double hull' of an Aframax tank in a post Panamax bulk carrier. The ship repair activity has grown in the past few years and, as a result, about 20% of the yard's total income is realised by ship repair activities.

Any Ship

According to Constanta Shipyard's managing director Radu Rusen the yard has the capacity and experience to build almost any type of ship. Today's portfolio consists of: oil tankers of the Aframax and Suezmax size, oil and chemical tankers, bulk carriers of the Panamax and Capesize type, Ro-Ro vessels, ferryboats and offshore ships such as platform supply vessels. Currently twenty oil and chemical tanker vessels of 41,000 and 50,000 dwt have to be build by the Constanta Shipyard. Their order book ensures production until halfway through the year 2011 and its amount exceeds USD 850 million. With regard to the customers' portfolio, Constanta Shipyard focuses on major clients that appreciate the special commercial and technical characteristics the yard's vessels have to offer. Some of these clients include the Interorient Navigation Company, located in Cyprus and Germany, Italian ship owners such as Motia Compagnia di Navigazione Spa and Augusta Due S.R.L., and the most important Romanian ship management company Histria Shipmanagement S.R.L.

Class Project

The yard already delivered eight 41,000 dwt tankers, which are currently sailing worldwide. Constanta Shipyard has contracts with major oil companies and oil traders such as Eni, Repsol and Glencore. The tankers are very successful on the market due to their flexible commercial characteristics, their high deadweight at a low draught, a high volume of bulk tanks and their high technological level. The 50,000 dwt tanker is a new project which includes the newest regulations with regard to the Common Structural Rules (CSR) and Performance Standard for Protective Coatings (PSPC). It has the same distinctive characteristics as the lighter version,

Mr. Radu Rusen, managing director

but it brings new modifications which lead to an increasing exploitation flexibility and a higher quality of the product. The 50,000 dwt tanker was conceptually developed by Constanta Shipyard, but the class project was executed by a German partner, Ship Design & Consult GmbH. The basin samples were made at Hamburg Ship Model Basin, while the execution of the project was developed by the Constanta Shipyard subsidiary, SNC Ship Design S.R.L.

Market Standard

Besides the mentioned projects, there are several other projects in the preliminary design stage, such as an 115,000 dwt Aframax oil tanker and a 60,000 dwt Supramax bulk carrier. With these projects, Constanta Shipyard wants to develop new characteristics able to turn the vessels into a market comparison standard for other similar vessels. Managing Director Radu Rusen: "The most difficult project after the privatization of the company was the first vessel of the 41,000 dwt tanker series, because it marked the start of a new era in shipbuilding. This new build project was produced in Romania from the first line until the last sea test. It meant a real stumbling block for both the company management and other employees which had to convince the market that the products made by Constanta Shipyard fulfilled the requirements of the international market."

Productivity Growth

Radu Rusen continues: "Due to the shareholders' attitude, Constanta Shipyard was not affected by the labour migration in such a manner as other Romanian shipyards were. By approaching the problem, the shareholders succeeded in implementing a solution which led to a raise in the wages according to the growth of the productivity. This is why the actual level of the labour migration did not exceed the levels of the Romanian pre-adhesion period. Along with the programmes for drawing young graduates from technical schools and other programmes of qualification conducted by the company, plus higher salaries, led to an increasing level of personnel directly involved in the production process.

As a result, the production level was not affected and, by developing programmes regarding the labour and the productivity, Constanta Shipyard aims at a production increase of 50% in the next years. Employing foreign labour in the Romanian shipyards is a solution that companies must consider, having in mind that the level of the Romanian labour migration can not be estimated for the next years. Taking into consideration the shipyards long-term commitments and their portfolio of orders, employing foreign labour represents a solution in case of an increase of Romanian labour migration."

Added Value

Despite the fact that it was the last shipyard that was privatized, Constanta Shipyard succeeded in restructuring its activity and bring its technological level to the international standards. Mr Radu Rusen: "Romania ranks among the top European countries in the shipbuilding domain and it has great potential to maintain its position. The privatization of the Romanian shipyards has clearly led to an increase in the competition and production levels. A fact that can easily be noticed in specialized statistics. It is likely that under the pressure of the Far East competition, both Romanian and European shipyards have to develop their activity towards more specialized vessels with a higher added value."

i. www.snc.ro