

**Title: Offshore gas & oil ship repairs industry set for a makeover for achieving rapid growth**

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The ship repair opportunities in Indian offshore oil and gas sector remained stagnant for two decades as the industry had been mainly dependent on the public sector infrastructure. With few dedicated large players in the field, the several smaller ones have had to be content with old and poor infrastructure being forced to operate from makeshift workshop arrangement. The past two decades have seen additions of just few dry docks even though the fleet has increased tremendously during this period.

**“What is remarkable is that India possesses high technical resources manpower but much of it deployed in ship repair yards based in the Middle East & Singapore,” said Anand V Sharma of Mantrana Maritime Advisory, a well-known consultancy firm in the maritime domain. “Yet more amazing is the estimated annual repair bill of Indian flagged ships including tugs and other offshore vessels that exceeds \$ 0.5 billion and is projected to double by 2015. In addition, there exists a huge potential to service ships calling at Indian ports.”**

The government is now set to create conducive environment for the ship repair industry for rapid growth. By taking advantage of the escalating opportunities it plans to reverse the trend such that ship owners need not get their ship repaired overseas.

Outlining the Indian offshore scenario a shipping official said, “At any given point of time there are more than 900 marine assets operating in Indian offshore. There are a total of 45 drilling rigs on the coast and the number of offshore supply vessels, exceed 250. Besides there are accommodation/ construction/ pipe laying barges totally over 50 as well as others assets of low value, such as crew boats, tugs, etc.

Every year roughly 200 foreign flag offshore vessels operate on the Indian coast on short term to long term contract with deployment period ranging from a few weeks to months. Most of them plan and undertake periodic dry docking prior to mobilization to India. But none of the facilities available in India offer them much attraction.

The few known dry-docks in India include Mumbai Port, FDD of Great Offshore and Seagull Marine, the Western India Shipyard at Mormugoa, Cochin Shipyard in Cochin, dry-docks of Kolkata Port, Paradip Port and the Hindustan Shipyard in Vishakapatnam, until the Navy took over the yard. Western India can however accommodate ships of up to 60,000 DWT whereas Cochin Shipyard caters to the Indian Navy and ships of up to 125,000 DWT and Kolkata port docks face heavy siltation.

A study conducted by Mantrana Maritime Advisory revealed the factors that served as a deterrent for growth being that it is a capital intensive, skill intensive and policy driven industry and wrongly considered as an industry viable only as a public sector units. This has got established as a trend because of the dominance of the public sector. Some in the private sector who tried to open shop ran into large losses.

But the government is set to provide a level playing field to those in the ship repair business. Plans are underway to set up more ship repair yards under the private public sector business model. According to Anil Devli, CEO of the Indian National Ship owners' Association the government plans “to be self-sufficient in ship repair requirements of India and to emerge as a dominant ship repair centre replacing Colombo, Dubai, Singapore and Bahrain.”