



#### ARRIVING IN DURBAN

Dormac Dock 1, the new multibillion-rand composite floating dock, arrived at the Port of Durban on July 17



#### NEW HOME

The State-of-the-art dock will be permanently attached to the new quayside by two accurately driven 32 m pylons

which the floating dock will raise or lower with connection pawls.

With the floating dock alongside a newly built repair quay, as opposed to the more common Mediterranean mooring type of placement, the ship repair will become more efficient, with close access to Dormac's adjacent state-of-the-art workshop facilities. Permanent site establishment will be in place for docking needs and is expected to reduce setup times.

Alongside the quay is a newly hardened work area created by covering an old derelict slipway that has not been in use for over 30 years. This is ideal for on-location fabrication and a laydown area for equipment close to a docked vessel. The yard has an office block available for project personnel within 50 m of the dock entrance.

Contractor Franki SA has helped fast-track the construction of the quay. According to Sparg, most contractors estimated that this would take between 12 and 13 months to complete. With final dredging expected to be complete by September at the latest, it would have taken just nine months.

#### Docking Orders

"We want to get into operation as soon as possible. We have some docking orders and we need to get them executed. We have not pursued marketing dockings aggressively for the month of August but, for the month of September, we already have four. If we can get her commissioned by August, we have a further two," says Sparg.

Dormac also has a second tier of 12 provisional bookings and the company is confident that it will be able to bring in 45 dockings over the next year, doubling the turnover of its Durban business.

Financial director **Craig Samuel** says that the rationale behind the substantial investment in Dormac Dock 1 was that it would be occupied 24/7. Given the interest

from international clients so far, management is confident that it will achieve this.

#### Phakisa Alignment

Operations director **Ian Cameron** adds that the business case for the investment was based on attracting additional docking opportunities into the Port of Durban and growing the market for South African ship repairs, coinciding perfectly with government's Operation Phakisa, which seeks to leverage the capacity of the South African maritime industry for economic growth and job creation.

Sparg says that Dormac does not share the widely held opinion that the current downswing in both the South African and global economies is reason to hold back on investment to minimise risk.

The company's last financial year was its best yet and, given the demand for ship repairs in Durban, the commissioning of the new dock is likely to result in a second record year.

"We are of the opinion that, if you operate this business correctly, you will bring the market. We've successfully competed internationally for 14 years. Dormac has always grown. We've also moved into oil and gas. We scenario-plan and we honestly believe that what we offer is world-class. We see ourselves as a world-class shipyard. We do not benchmark ourselves locally, but internationally," he says.

Looking to the future, Samuel says that traffic around the Cape is increasing as many vessels are avoiding the Suez Canal, which takes the bulk of traffic from East to West. In addition, vessels operating on the oilfields on the west coast are also looking to come to Durban for ship repairs because of capacity constraints there. This means an even bigger boost to ship repair opportunities.

Another plus is the current exchange rate,

which means that South African ship repair companies are well positioned to competitively compete with international counterparts in the Canary Islands, Dubai and Singapore.

Sparg says that Dormac intends positioning itself to act on these opportunities. "The naming of the new dock – Dormac Dock 1 – indicates that this is just the start of the plan and not the end. Dormac's vision is to strategically invest in this type of asset going forward."

He says that Dormac has "a sincere interest" in future investment in this area and has already won a bid to locate a floating dock in one of Namibia's ports. It is also bidding for TNPA's Saldanha Bay project.

These projects, together with Dormac Dock 1, require a ready supply of skilled labour, which is in short supply in South Africa. Samuel says that the already successful artisan training programme, which has trained 626 employees over the past five years, will now be extended to include dry docking. This will add another 15 candidates a year, bringing the total number of artisans trained by Dormac each year to around 100.

Based on the regular throughput of envisaged dockings, the new floating dock is expected to create an additional 80 new direct jobs. Further job creation is also likely to result from Dormac's business partners, contractors and suppliers.

Many have evolved and continue to evolve into sustainable businesses, thanks to Dormac's stringent enterprise development programme that has seen it provide both skills development and funding for fledgling suppliers.

As a result, Dormac's investment both in the floating dock itself and the people who will operate it provides a perfect fit with Operation Phakisa, the company's management believes. ■