

New R300m floating dock revitalises economy and creates jobs

A R300m investment into a new floating dock will give the Durban and South African shipping industries a major economic boost as well as create jobs and enhance skills development.

Ship-repair company, Dormac Marine and Engineering launched its new, multi-million-rand composite floating dry dock, Dormac 1, at a traditional maritime naming ceremony.

Dormac managing director, Chris Sparg, said, “This asset will go a long way toward meeting the demand for ship repair in South Africa’s busiest port.”



Dovetails perfectly with Operation Phakisa

The state-of-the-art dry dock, the first brand new ferro concrete dock to be brought into use in Africa, and the purpose built 175-metre long quay is expected to add to the Port of Durban’s ship-repair capacity, taking advantage of the 30,000 ships that sail past South Africa’s coastline and the 12,000 ships that call in at South Africa’s harbours annually.

Sparg said, “Dormac Dock 1 ‘dovetails perfectly’ with the government’s Operation Phakisa, a presidential initiative that seeks to leverage the capacity of the South African maritime industry by accelerating national marine efforts, developing infrastructure and enhancing workflows.”

Requires steady supply of skilled labour

Besides adding to Dormac’s bottom line, the new floating dock, which requires a ready supply of skilled labour, will create an additional 80 new direct jobs with spin offs to Dormac’s business partners who will also create additional jobs.

Minister of trade and industry, Rob Davies, used the launch as the opportunity to announce that Dormac had been awarded the DTI's Section 12i Income Tax Allowance Incentive for this project. Section 12i is part of the department's incentive

programme to support Investment in manufacturing assets, to improve the productivity of the South African manufacturing sector and the training of personnel to improve labour productivity and the skills of the labour force.

Single largest investment

Addressing the economic impact of the new dry dock, Dormac's parent company, Southey Group CEO, Barry Wickens said, "This is the largest single investment ever undertaken by our group and is a sign of our faith and confidence in the future growth and development of the Durban Port and indeed, in the economy of South Africa."

"At a time when the world economy is not in great shape and the South African economy is currently experiencing a zero percent growth rate, the Dormac anagement team has undertaken this massive R300m investment, which will generate many additional jobs in the port, enhance the skill levels of our workforce as well as generating substantial foreign currency for the country."

"The Southey Group currently employs 5,500 people and we are looking to create hundreds of both direct and indirect jobs as a consequence of this investment. This investment is budgeted to attract substantial docking opportunities for the Port of Durban and to grow the market share for the South African ship repair industry."

Critical to ocean economy

Allianz Global Corporate & Specialty (AGCS) Africa insured the floating dock during the building phase and while it was being transported to South Africa. The insurance coverage will continue while it is at newly constructed shipyard in the Durban harbour.

"The development is critical to the region's ocean economy," said Mark Govender: AGCS Africa technical underwriting manager: marine. "This latest delivery in Durban is a critical infrastructural component in support of this initiative. AGCS Africa engaged with Dormac directly from the outset of this project utilizing our global network of experts to fully understand the project needs, so we are able to offer much needed technical expertise and support."

Dormac also introduced its apprenticeship and learnership class of 2016 at the naming ceremony, a group of 33 artisans, many of whom will work on the new dock.

When deciding to resurrect its new building capability in 2006, Dormac was faced with a massive shortage of welding skills and it became imperative that the company embark on an intensive skill development programme.

Enhances existing offering

"On average, a ship is required to undergo a dry-docking every five years and the ship-repair industry requires services that are flexible, efficient and considers outside influences such as cargo availability, charter pressures and the weather."

"Up until now, Dormac has been turning away between four and seven ships every month due to the lack of ship repair facilities," Sparg continued, "but the new dock vastly increases our docking capacity and flexibility and will enhance the existing port docking offering."

Sparg forecasted executing an additional 45 dockings per year – “a very significant capacity increase”. The dock is ready for operation and already has six docking orders lined up for September.

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