

# **NAVAL SECTOR IN ROMANIA AND BULGARIA - 2014**

## **SHIPBUILDING AND SHIP REPAIR**

a DEMO Report  
by

**FRD Center**

## 1. SHIPBUILDING AND REPAIR IN ROMANIA AND BULGARIA

Romania and Bulgaria are two EU member-states located in SE Europe. Both have access to the Black Sea and the Danube.

The industry of shipbuilding and repair has an important place and represents one of the countries' development engines within the Romanian and Bulgarian economies. The accesses to the Black Sea and the Danube course on the territories of Romania and Bulgaria have contributed to the development of the shipbuilding sector.



Shipbuilding in Romania and Bulgaria has a long tradition, with shipyards in the major ports: Constanta, Mangalia, Galati, Tulcea or Orsova in Romania and, respectively, in Varna, Burgas and Ruse in Bulgaria. The ports are State-owned in both countries.

The major players are members of the Romanian Shipbuilders Association - ANCONAV and of the Bulgarian National Association of Shipbuilding and Ship Repair - BULNAS.

The shipbuilding industry in Romania has an important place in the European industry and the ships delivered by the Romanian shipyards represent approximately 5% of the European production.



Romania and Bulgaria participate on a regular basis at various international exhibitions in the naval sector. An example is Romania's participation at the Asia Pacific International Maritime Exhibition in Singapore with a national pavilion hosting ten exhibitors in March 2014.

The Technical University of Varna in Bulgaria is teaching Shipbuilding as a specialty and Romania has the Maritime University in Constanta.

**A. The Constanta Port** is the most important commercial sea and river port in Romania. The Port is located on the routes of three European transport corridors: Corridor IV, Corridor IX and Corridor VII (Danube), connecting the North Sea with the Black Sea via the Rhine-Main-Danube Corridor. The Constanta Port has a total area of 3,926 hectares, out of which 1,313 hectares on land and 2,613 hectares on water.

In the Constanta Port, the biggest company that builds and repairs ships is the Shipyard “Santierul Naval Constanta”. Other players located in the region of the Port of Constanta are:

- Avemar (shipbuilding and repair)
- Green Seas International (shipbuilding and repair)
- Pol-Renav (shipbuilding and repair)
- Steelbuiding (shipbuilding and repair)
- Utilnavorep (shipbuilding and repair)
- Instrumental Marine Services Rom (ship repair)
- Navotec (ship repair)
- 2x1 Holding Cape Midia Shipyard (ship repair)
- Sorena (ship repair)
- Petroserv (ship repair)

**Santierul Naval Constanta** (Constanta Shipyard) has been established in 1892, under the name “Atelierul de Reparatii din Portul Constanta”. In 2002, the company has been privatised and, at present, it is owned by Resources International SA Majuro MHL. SN Constanta has registered in 2013 the turnover of 44 million EUR and almost 1,000 employees. The company is listed on the Bucharest Stock Exchange.

SN Constanta builds and repairs vessels up to 200,000 dwt. Some types of ships constructed by the company are:

- chemicals products tanker of 41,000 dwt
- chemicals products tanker of 50,000 dwt
- bulk carrier of 61,000 dwt
- Aframax vessel of 115,000 dwt



For ship repairing, SN Constanta has four docks, out of which two dry docks and two floating docks. The company repairs 80 - 100 vessels per year and offers services of surface treatment, panels replacement, conversion, cutting, welding, sanding, cleaning, dyeing, pipe working, galvanisation, mechanical and electrical works, motor revising etc.

SN Constanta has participated as exhibitor at various international fairs, some of the most recent ones are Posidonia Exhibition in Athens (in June 2014) and Norshipping Exhibition in Oslo (in June 2013).

**B. The Mangalia Port** is a “satellite port” of the Constanta Port. The Mangalia Port has the surface of 142.19 hectares, out of which 27.47 hectares on land and 114.72 hectares on water.

The main company that builds and repairs ships in the region of the Mangalia Port is “Daewoo-Mangalia Heavy Industries”. Other players in the region of the Mangalia Port are:

- Bratimpex (shipbuilding and repair)
- AXXA Maritime Services (shipbuilding and repair)
- Navalporo (shipbuilding and repair)

**Daewoo-Mangalia Heavy Industries (DMHI)** has been established in 1997. The company is a joint-venture between Daewoo Shipbuilding & Marine Engineering Korea and the Shipyards "2 Mai" Mangalia. In 2013, the company has recorded a turnover of approximately 270 million EUR, up by 45% compared to 2012. The firm has over 2,600 employees.

Some examples of vessels constructed by DMHI are:

- pure car track carrier with the dimensions of 199.9 x 32.26 x 32.95 m - this has been delivered in 2014 to LH Shiplease 1 AS/Ocean Yield AS in Germany
- container carrier with the dimensions of 299.9 x 48.4 x 24.8 m - this has been delivered in 2014 to Demsly Shipping INC in UK and in 2013 to Tressby Shipping INC in UK
- multipurpose subsea construction vessel with the dimensions of 141.6 x 27 x 8.30 m - this has been delivered in 2013 to Bergen Group BMV AS in Norway

DMHI offers repair and conversion services for ships with the capacity up to 250,000 dwt, including metalwork, sandblasting, painting, repairs of equipment, pipe works and electricity works.



**C. The Galati Port** is located on the Danube River in Romania. The Port has a total area of approximately 864,000 sqm and includes two basins: Bazinul Nou Galati Port and Docuri Galati Port.

The largest shipbuilder in the Galati Port is the Shipyards “Santierul Naval Damen Galati”. Another important player in the region of the Galati Port that builds and repairs ships is the Navrom Group.

**Santierul Naval Damen Galati** (Damen Galati Shipyards) has been established in 1893 under the name “Santierul Naval Fernic Galati” and, since 1999, has been part of the Dutch Group Damen Shipyards. The company has registered in 2013 the turnover of 142 million EUR and approximately 2,300 employees.

Since 1999, Santierul Naval Damen Galati has built over 300 vessels. The company has the capacity to produce ships up to 26,000 dwt.

Santierul Naval Damen Galati has constructed 24 ships in 2013, out of which:

- one cargo vessel
- 11 tugs, workboats, barges and pontoons
- 6 offshore vessels
- five other types of vessels

**D. The Tulcea Port** is located on the Danube River in Romania. The Port has 41 berths.

In the Tulcea Port, the biggest company that builds and repairs ships is Vard Tulcea.

**Vard Tulcea** is part of the Norwegian Group Vard. The company covers a surface of 750,000 square meters. In 2013, Vard Tulcea has registered the turnover of 157 million EUR and approximately 3,300 employees. Its customers include companies in the field of oil and gas exploration, such as DOF Offshore, SIEM or Farstad. The Vard Group also has a shipbuilding and repair unit with the area of 500,000 sqm in the Romanian Port of Braila.

Some examples of ships constructed by Vard Tulcea are:

- platform supply vessels
- anchor handling tug supply vessels
- gas exploration vessels
- coast guard vessels



Vard Tulcea offers ship repair and conversion services: repair of electrical systems, repair of propulsion systems, repair of engines and piping systems, painting works etc.

**E. The Orsova Port** is located on the Danube River in Romania. The Port has a surface of over 50,000 sqm.

In the Orsova Port operates the Shipyard “Santierul Naval Orsova”.

**Santierul Naval Orsova** (Orsova Shipyards) has been established in 1890 and it is specialised in shipbuilding and repair (shipbuilding accounts for 98% of its activity). The company has customers from the Netherlands, Germany, Belgium or Austria. In 2013, Santierul Naval Orsova has registered a turnover of 12 million EUR and almost 400 employees. The company is listed on the Bucharest Stock Exchange.

Some types of ships constructed by Santierul Naval Orsova are:

- oil tanker of 86 x 10.5 x 5.7 m
- oil tanker of 10 x 11.45 x 5.03 m
- container vessel of 80 x 9.5 x 3,2 m
- gas tanker of 96 x 11.44 x 5.70 m

**F. The Varna Port** is the largest port in Bulgaria. It has a prime location, being the external border of the European Union. The Port is located on the shore of the Black Sea and links Central Europe with Russia, Ukraine, Caucasus, Central Asia, Middle East and Far East. It has 5,601 meters of quay, divided into three units: Varna East (with three terminals), Varna West (with six terminals) and Ferry Terminal. The Port has 32 berths, an outdoor storage area of 240,800 sqm and a closed area of 77,500 sqm.

One of the main agents in the Varna Port is Bulgaria Investment Holding, owner of various companies operating in the naval sector (over 80% of the holding’ portfolio) and in machinery manufacturing sector. An example is the company Bulyard Shipbuilding Industry.

**Bulyard Shipbuilding Industry's** main activity is the building of merchant vessels, followed by the ship repair. The company has been established in 1907. Nowadays it is the largest company in Bulgaria in terms of the tonnage and size of the built ships and the most modern in terms of the technology and the organization.

Bulyard Shipbuilding Industry builds various types of ships, from small vessels of 3,000 dwt, passenger vessels (100 pax) to large ships of over 50,000 dwt. Some examples of ships built by the company are:

- bulk carrier of 55,700 dwt



- bulk carrier of 13,900 dwt
- bulk carrier of 42,600 dwt

Regarding the ship repair, Bulyard Shipbuilding Industry offers services of: repair of pipes, motors, generators, turbines and compressors, services of cleaning, dyeing, surface treatment, metal works etc.

Other players in the region of the Varna Port are:

- MTG – Dolphin (shipbuilding and repair)
- Odessos Shiprepair Yard (ship repair)
- TEREM – KRZ Flotski Arsenal – Varna (shipbuilding and repair)
- Bulmar Consult (ship repair)
- Boomerang Shipping (shipbuilding and repair)

**G. The Burgas Port** is a big port in Bulgaria, located on the shore of the Black Sea. The Port offers services to all the major industrial centres in the South area of the country, as well as transit cargo destined to or from Macedonia, Serbia and Central Europe, being located in the Corridor VIII. The Port has 28 berths, 3,905 meters of quay and five terminals.

One of the companies that operate in the Burgas Port is Bourgas Shipyard. Other player in the region of the Burgas Port that builds and repairs ships is Maiak – K.

**Bourgas Shipyard** has been set up in 1948. The company builds vessels up to 15,000 dwt and repairs all types of ships.

Some types of ships built by Bourgas Shipyard are:

- bulk chemical tanker of 12,200 dwt
- passenger vessel with the capacity of 45 vehicles + 160 pax
- barge of 2,400 dwt

**H. The Ruse Port** is located on the Danube river in Bulgaria. The Port has a strategic location as it is located very close to the Constanta and Varna Ports and is part of the Pan-European Corridors VII and IX. The Port has 25 piers and a storage area of 230,000 sqm.

The main company that builds and repairs ships in the Ruse Port is Rouse Shipyard.

**Rouse Shipyard** has been established in 1881 and has been privatised in 1999. Its main activity is represented by the construction of sea and river ships. It is one of the largest European companies specialised in oil tankers of 6,000 dwt. The company has the production capacity of 10 ships up to 45,000 dwt per year.



Some exemplars of ships built by Rouse Shipyard are:

- oil tanker of 3,400 dwt
- multipurpose ship of 8,000 dwt
- bulk carrier of 5,000 dwt

## **2. SERVICES AND COMPONENTS FOR SHIPBUILDING SECTOR IN ROMANIA AND BULGARIA**

The industry of shipbuilding components has potential for development in Romania and Bulgaria and offers excellent conditions for investors. The sector has tradition and well trained professionals.

The local producers of shipbuilding components have developed strong partnerships with national or international shipyards.

Some major producers of shipbuilding components in Romania are: Dutch Marine Trading Design, Promex, Menarom P.E.C., Microplasma and En Vogue Industries.

**Dutch Marine Trading Design** in Galati is part of the Dutch Group DMT. The company is specialised in the design and manufacturing of components for the shipbuilding sector (winches, deck equipment, offshore solutions etc). In 2013, the company has recorded the turnover of 17 million EUR and 80 employees.

**Promex** is part of the Romanian Group Uzinsider. The firm is located in Braila and produces shipbuilding components (windlasses, manoeuvring and towing winches, actuators, thrusters, valves, anchors, cranes, bridge equipment, port dischargers etc), equipment for the metallurgy sector, equipment for the construction materials industry, equipment for the energy industry etc. Promex has registered in 2013 the turnover of 9 million EUR and almost 600 employees.

**Menarom P.E.C.** in Galati is part of the Romanian Group P.E.C. The company produces components for the shipbuilding sector (windlasses, thrusters, winches etc), mechanical equipment for various industrial processes, steel structures, electrical control stations, industrial electromagnets etc. Some of its clients are: Santierul Naval Damen Galati, Vard Tulcea, Arcelor Mittal etc. In 2013, Menarom P.E.C. has registered a turnover of 6 million EUR and approximately 250 employees.

**Microplasma** produces components for the shipbuilding sector (naval covers, access holes, vents, doors, metal compensators etc) and industrial products. Microplasma has reported in 2013 a turnover of approximately 2 million EUR. The firm has over 80 employees and it is located in Constanta.





**En Vogue Industries** produces piping systems for the shipbuilding sector and steel constructions for industrial use. The firm is located in Tulcea and has approximately 70 employees. En Vogue Industries has registered a turnover of 1.1 million EUR in 2013.

Some major producers of shipbuilding components in Bulgaria are: Varna Pro, KMM AD and Teva Marine.

**Varna Pro** produces electrical components for the shipbuilding sector (switch panels, consoles, etc) and performs activities of gas transmission and distribution. The company's design division includes over 20 engineers. The firm is ISO 9001:2000 certified and it is located in Varna.

**KMM AD** produces shipbuilding components and industrial components. Its product range includes: water boilers, heat exchangers, tanks, pressure recipients, filters, metal constructions etc. The company has a total production surface of nearly 9,000 sqm. KMM AD has clients from Denmark, Germany, the Netherlands, France and Bulgaria. The company is based in Shumen.

**Teva Marine** is specialised in the production of superstructures and furniture for ships and the installation of marine insulation systems and panels. The company has over 110 employees, is located in Ruse and has a branch in Varna. Some of his clients are: Bulyard Shipbuilding Industry, MTG – Dolphin, Schram & Van Beek B.V, Rijndec Shipbuilding B.V, Seatrade Groningen B.V, Hartmann Schiffahrts GmbH & Co. KG, Briese Schiffahrts GmbH & Co. KG.

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