

## Drydocks puts expansion in the east on ice

DRYDOCKS World has delayed its plans to expand its Asian operations beyond Singapore and Indonesia.

The Dubai-owned shipyard did not go through with an expected joint venture in China in the final quarter of last year.

"We decided not to proceed with that. We felt it would be imprudent to make that move at a time when there was so much uncertainty around, and we really had to make our decision in November last year," Denis Welch, chief executive of Drydocks World — SE Asia, told Lloyd's List.

The shipyard group said last October that it was close to taking a 60% stake in a mid-sized yard in China.

Other plans to expand into countries such as Vietnam and India have also been put on hold.

"No doubt about it, we've got to be pretty cautious at the moment," Mr Welch said.

However, the company still retains its ambitions to expand a global network of yards, with the aim of having facilities close to its customers.

"What has happened is serious thinking about how quickly we can realise those plans," Mr Welch explained.

Drydocks World — SE Asia has four shipyards in Singapore, and the neighbouring Indonesian island of Batam, which it acquired through buying Pan-United Marine in 2007 and Labroy Marine the following year.

The yards represented Drydocks first foray outside of Dubai, and over the past year they have been integrated into a single brand under Drydocks World — SE Asia.

Rather than further international expansion, Mr Welch said that Drydocks' immediate priority was to find work for dock space that will become available in Batam at the end of the first quarter of 2010.

Work is continuing on major expansion plans in Batam for a \$300m project, Batam Maritime City.

Mr Welch said that tenders were due to be received by the company next week for the land reclamation work. "Depending on whether they are meeting our budget expectations, we intend to go ahead and reclaim the land, as that will take 18 months minimum before the land can be used," he said.

Drydocks' proposals for the 172 ha site comprise a combination of shiprepair facilities and shipbuilding of smaller vessels.

In addition, a substantial area will be dedicated to industrial fabrication for both offshore and land projects.

Detailed planning of the exact design of the facility is expected to take around nine months.