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Back at the helm

Denis Welch of Drydocks World SE Asia is glad to have returned to the industry after a long break and views the building of relationships as being crucial to the business of building rigs.

After a long break from the industry, Denis Welch took the helm of the newly-created Singapore-based Drydocks World SE Asia one year ago that saw him start a rollercoaster ride as chief executive.

The 59-year-old describes the first year as quite a feat as the Middle East-controlled outfit set to work on a new venture, building both a number of rigs and a dedicated rig building facility in Batam, Indonesia, all at the same time.

"We have come an enormous distance in that time, but it does not feel like it as we want to go faster," says Welch, who is originally from the UK and now lives in Singapore.

Drydocks World SE Asia was formed last April as an umbrella company after its parent, Dubai government-owned Dubai World, bought Singapore's two largest independent ship repairers, Labroy Marine and Pan United, for about \$2.2 billion in 2007.

The deal gave the company control of four shipyards - three in Batam and one in Singapore. It also inherited orders for four MSC Gusto-designed CJ46 jack-up drilling rigs and two large service jacks.

Two of the jack-ups are destined for Italy's Saipem and two for Norwegian driller Standard Drilling, while the two service jacks belong to Norway's Master Marine.

Welch is keen to see the company realise its potential, though he points out that the units it has on order are by no means under-sophisticated vessels, with state-of-the-art jack-ups on the menu and two of the world's largest multi-purpose offshore construction vessels being built. The vessels are both DP3-rated and carry 2000-tonne cranes.

He hopes to get away from the industry's tendency to think they are an operation in Batam producing basic vessels and says the company is a long way from building "barges on the beach". The company has the capability to build its own jack-up legs in purpose-built facilities.

The short-term goal is to ensure the Drydocks World brand is recognised throughout the region as a symbol of excellence. Welch also has plans to diversify the business, with a focus on industrial manufacturing activities to complement its shipbuilding and ship repair work. However, he emphasises that he will not steer the company away from its core business, and will proceed with caution before making any change in direction. His longer-term ambition is to develop engineering, procurement and construction capacity within the company. The future could also see Drydocks World carry out subcontracting work for Singapore's giant yards, Keppel and Sembcorp. Welch believes the company has the facilities in Batam to help support their well-established operations.

Welch acknowledges the competition from China, but claims to have a distinct advantage, with Drydocks World being part of Dubai World, making them a substantial player.

He says there is less opportunity in China for placing new business, citing the "craziness" before the financial crisis, with virtual yards and owners springing up all over the place. Having the majority of the

company's yards based in Batam has distinct competitive advantages, such as low labour and land costs, as well as being closer to Singapore's marine cluster.

"Batam is the new dynamic in the region and we are on the threshold of something really big there," says Welch. Despite the offshore industry stumbling at present, Welch can see light at the end of the tunnel and says his yards have ample work to see them through until 2010. He believes the slowdown is temporary as the world is still hungry for more sources of energy.

Welch, who studied naval architecture at Tyneside in the UK, says he could not wish for a better job and feels the future is full of opportunity. Addressing today's challenges for Drydocks World, Welch highlights three points. Firstly, the company must promote itself as the market has recently turned on its head, with more capacity than demand available. Secondly, the company must conserve cash, and Welch is quick to point out that all operations run on a strictly commercial basis and there is no bottomless pot of gold from Dubai. Lastly, the outfit must continue to improve its operations, and Welch is in the process of putting all managers through an offsite development programme, as well as establishing a \$4 million skills training school for blue collar workers in Batam.

After university, Welch worked for UK shipbuilders and later held a number of senior management positions in engineering-led manufacturing companies that span the civil engineering, automotive and aerospace industries.

After a long break, he is happy to be back in the industry due to the personable nature of the game, adding that there is a huge amount of trust involved in the business and building relationships is the key to success.

Welch chose to pursue naval architecture because of his love of sailing and says it seemed like an interesting thing to do. He has always been fascinated by the sea, but now has to make do with his speedboat at weekends in Singapore as the city state lacks ample wind for plentiful sailing.

The self confessed "terminally enthusiastic" boss, who remarried last year, also enjoys tennis and golf in his spare time.