

# Chance to go glocal with ship-building

Goa ship component and fabrication industry is set for a major transformation led by Goa Ship Yard Ltd. Rear Admiral Sekhar Mital (retd) CMD GSL clears the air in an exclusive interview with Michael Fisher about what's in store for local shipbuilders



Rear Admiral Sekhar Mital (retd), CMD of Goa Shipyard

**Q. You are on record saying a Korean company Kangnam will be one of the key contenders. In that case: 1) Who are the technology providers for a product like MCMV?**

A: It all depends upon type of FRP technology Navy finalizes. Single Skin Type' of FRP technology was cleared by Navy in 2009, and accordingly included in RFP floated by Government and Ministry of Defense (MoD). This technology is considered most resistant and efficient by the FRP hull of a ship to withstand shocks in mine infested waters, in the event of explosion of mines. For this technology, there are only two manufacturers in the world who were cleared in TNC by MoD and the Navy in 2010, one was M/s Intermarine from Italy and other M/s Kangnam from Korea. To our knowledge, there are no more shipyards / OEMs who have come up in this field.

**2) What is the scope of ToT provider shipyard?**

A: The scope for ToT provider shipyard will include inter-alia, provision of technology for manufacture of MCMV in India. They will provide complete design of ship, structure fatigue analysis, provision of moulds, processes and training for handling FRP technology, Quality manuals, Production-planning schedules, test standards, integration procedures, inputs for construction of infrastructure, among other the scope is vast. **B) On what merits Kangnam can win the MCMV contract?**

A: Whichever company meets all provisions of RFP will be cleared by the Technical Committee and thereafter it will depend upon the price competitiveness i.e. the company emerging L1, will consequently win the contract.

**C) Koreans industry in general is known to have their own tough rules for tie-ups and partnership? Does our shipbuilding industry meet their standards?**

A: That is the challenge before us. We will have to work on it, so as to bring the best technology to Goa. But let us not underestimate the potential of our local entrepreneurs. They are innovative, dynamic, capable and very intelligent. GSL is determined to succeed in partnership with the local industry. We can play a major role in this. Also policies will need to be devised to encourage local manufacture and tie up, wherever feasible.

**D) Who are the approved classification societies?**

A: American Bureau of Shipping (ABS) & Lloyds Registrar of Shipping. We will also try to involve IRS.

**E) For building the minesweepers, what is the expected import component ratio to local/national manufacturer?**

A: These are state of the art vessels for which the current local industrial base in India is limited. Due to restrictions on magnetic signatures, all the equipment needs to be built with low magnetic signature steel. Notwithstanding, we are aiming for about 50% of indigenous content. If electronics, weapons and sensors can be supplied by BEL it will go up to over 60%. We are working with them.

**F) Do our shipbuilders have the necessary know how?**

A: Ship building is a 'knowledge industry' and one requires strong domain expertise in the respective engineering field and system background, besides passion and perseverance to succeed. We are prepared to do lot of hand holding and advice vendors how to go about it. For instance, the firm is making pumps for general industry can certainly move up the value chain to be a 'Naval Equipment Supplier', where the margins are much higher.

**What Makes a Good Supplier/Vendor?**

A: Of course the Quality standards are very stringent, because of the harsh marine corrosive environment

in which ships operate. Further the shock and noise standards of machinery fitted in Naval ships are very stringent. If vendor is patient and committed to Quality of the product, he can certainly succeed and grow in the defense business as there is a huge market, waiting to be tapped. Strong defense manufacturing base in the country can play the role of a catalyst in building up the 'Quality Standards' of our 'engineering product manufacturers' in the country and can be huge positive for the country. This is what present government is aiming and working for.

**1) What is the total order book you have as on today?**

A: It is about Rs 2,400 crore and will increase to Rs 4,500 crore in the next three months, as CNC for five Coast Guard OPVs have been concluded with the Government and contract is likely to be concluded in the next three months.

**2) How much work you will source from the local vendors from Goa?**

A: About 50% of our work is outsourced to the local industry. In fact this is the highest amongst all shipyards in the country by good 100%. This % will only increase year on year. Presently the number of local component manufacturers are less, thus material sourced from local industry is limited. There is tremendous scope to improve this. We are encouraging MSMEs to come forward and set up units. Govt is continuously encouraging us to devise policies to support this step, so that it becomes a movement in the country.

**3) When do you think the MCMV project final order will be placed with GSL and work start?**

A: With a proactive government at the centre, PNC for MCMV Project, should be concluded latest by August and September 16 and order should be placed with GSL by December that year. GSL will start constructing MCMV ships by April 18.

**4) In Goa, there are number of shipyards which have stopped due to the mining ban. Do you think these shipyards can be vendor for GSL?**

A: Of course, local shipyards certainly can play a major part in the MCMV project. We are talking a large number of them. Purpose of getting large number of Korean firms to Goa was exactly to generate excitement, interest and expose more and more local firms and shipyards to the opportunities that are available in the mega MCMV Project.

**5) Does GSL have any training programme to train the local youth so that they can be employed in shipyard?**

A: Skill development amongst local youth is one of the key thrust areas of the present Government and our Raksha Mantri. And as per that mandate and continuous push, we have taken on a number of initiatives including training of ITI Instructors (in hand presently) to improve the training imparted in ITIs. Selection of apprentices from ITIs for our apprentice program and providing some sort of job guarantee to a large number of Apprentices.

The number of apprentices trained per year is being increased four times from 35 / year to 100 this year and 150 in next two years. Introduction of special training in FRP trade, augmentation of training facilities at SITEG welding training institute are other measures planned. Further within next 10 days, we will sign MoU with CII to map the skill set available and what would be required in Goa and take steps to train people as per local needs. We will be spending over one crore rupees within this financial year on some of the steps listed above. This amount will go up further year on year with finalization of more schemes under consideration.



Delegates at the recently held CII Korean convention on Make in Goa

## CII -GSL to sign MoU to set up skill update cell

It is a known fact that South-Korean ship component manufactures and fabricators dominate the global market for various customised components.

This requires to have specialised technical skills for partnering.

The Confederation of Indian Industry (CII) will soon sign a MoU with Goa Shipyard Ltd to set up a Skill Improvement Cell, says CII chairman Parag Joshi.

The cell will appoint specialised trainers to work on improving the skills of outgoing ITI Goan graduates from various engineering and polytechnic institutions.

Many of them do not meet the high quality standards required by top companies. By developing the required skills needed for CII to assist GSL and Goa shipbuilders to

employ the right candidates, he said.

In a prelude to encouraging 'Make in Goa', CII will be the match making

facilitator between the workers and companies. So far 10 companies

have registered to absorb workers, he says. With Goa Shipyard

contract of Rs 32,000 crores

worth of various defense orders, the new initiative by CII

of getting local shipbuilders

some manufacturing business

will increase Goa's GDP, he

hoped.

Goa shipbuilders are discussing engineering steel products, gensets, electrification of the whole vessels, piping and panels, fittings and navigational aids and crew accommodation in the vessel which they can provide.



Parag Joshi

