



## NEWS FROM FORUM OKRĘTOWE MEMBER COMPANIES

### NEWBUILDINGS AND SHIPBUILDING SUBCONTRACTING

#### ***El-Mellah* delivered, with Algerian flag hoisted**



Algerian flag hoisting ceremony at Remontowa Shipbuilding.  
Photo: Piotr B. Stareńczak

Salah Lebdioui, attaché Kenani Benzerga and delegation from the Algerian Navy, led by general Mekhneche Saad.

General Saad Mekhneche accepted the report of readiness for flag change forwarded by colonel Khaouani Zoubir, who was supervising the newbuilding under construction at Remontowa Shipbuilding on behalf of the owner.

On Saturday, October 21, 2017, at the outfitting quay of Remontowa Shipbuilding SA yard in Gdansk, a flag change ceremony took place on Algerian sailing training vessel *El-Mellah* (938), following the signing of delivery documents.

The ship was built at Remontowa Shipbuilding according to the contract arranged by Cenzin foreign trade company of PGZ group, represented at the ceremony by CEO, Sebastian Meitz.

The ship will serve the cadets of Naval Academy in Tamenfoust as a platform of perfecting the seamanship and navigation training. The ship was designed by Choren Design & Consulting, led by established tall-ships designer Zygmunt Choreń.

The ceremony was honoured with the presence, among others, the Ambassador of Algeria in Poland -

Readiness to deliver the ship was declared in turn by Radosław Gęsicki of Remontowa Shipbuilding. To the tune of Polish national anthem the Polish flag was lowered. Then, after a short Algerian navy ceremony on-board, the Algerian national anthem was played with Algerian flag being hoisted.

The three mast fully rigged vessel (frigate) is 110 m long over all, 14.5 wide and 8.6 m deep. Total area of sails is approx. 3000 sq m, allowing to achieve the speed of up to 17 knots (at 6° B wind). The crew consists of 222 persons (including 120 cadets, of which 40 are to be women). Of the three steel masts, the tallest, the main (middle) mast is 54 m tall and the third one (aft) houses the exhaust.

After completion of a series of tests and sea trials, already reported in FO newsletter, the ship was recently docked at Remontowa SA, where it has undergone the last overhaul of the hull and finishing touches, including minor patching and refreshing of the protective anti-fouling coating or other minor works prior to delivery to owners.

### **ORP *Kormoran* completed tests**

As revealed on October 17 by Polish military matters magazine “Polska Zbrojna” - government qualification tests of the ORP *Kormoran* minehunter, built at Remontowa Shipbuilding SA for Polish Navy, were completed on that day.

Within a scope of tests, that have been just finished on the Baltic Sea, shooting and mine searching was carried out.

Experts also checked the performance of propulsion and efficiency of systems at main command station.

- We may deliver the ship to the army at any moment now - declared in his statement for “Polska Zbrojna” Remontowa Shipbuilding vice-president Bartłomiej Pomierski. - However, before it happens, the members of the commission have to formally confirm the efficiency of all equipment and systems.

- Preparation of minutes, containing the estimation of performance of all devices will commence soon. If it is positive, the ship will be handed over to the Navy - colonel Robert Wincencik, spokesman for Inspectorate of Armament explains.

As “Polska Zbrojna” informs - it may not be ruled out that as soon as mid-November *Kormoran* would leave the yard’s quay for Naval base in Gdynia harbor, where the 13 Division is stationed.

It will be put to operation officially after the flag hoisting. It is possible it could happen already at the end of November, on the occasion of Polish Navy feast.

It will be followed by nearest future to be spent by the ship at the naval base quay with tests, training and exams involving the crew and confirming the ship’s readiness to sail and enter combat.

## **SHIPREPAIRS AND CONVERSIONS**

### ***Spirit of British Columbia* has arrived in Gdańsk for extensive upgrade**



Photo: Jakub Bogucki

One of the biggest and most prestigious contract execution commenced at Gdańsk based Remontowa SA shiprepair yard. On October 21, 2017, *Spirit of British Columbia* was berthed at the Remontowa’s quay. The vessel will be re-engined for dual-fuel operation with LNG as a main fuel.

The vessel, operating on a daily basis in short sea shipping, mostly in protected waters, has had to undergo special preparations before departing for a long journey along North America Pacific coast, through Panama Canal and transatlantic transit to Polish yard for a mid-life upgrade. Within a scope of preparation, a special breakwater structure was installed on main deck platform in front of the bow doors as well as sea pilot access arrangements, among others.

The trip commenced on September 12, in British Columbia, south-western Canada. The mentioned route was complemented by a stop on Canary Islands for refueling.

Let us recall, in 2016 Remontowa SA signed a contract with BC Ferries, after winning fierce competition from several yards, for mid-life upgrade of the two ferries of the "Spirit" class, including conversion of the engine room for dual-fuel operation, with LNG as the main fuel and refurbishment and upgrades elsewhere, mainly in public passenger spaces.

Propulsion conversion and upgrade of the first ferry - *Spirit of British Columbia* - will last until spring 2018, while the second of the sister ships - *Spirit of Vancouver Island* - will undergo its mid-life upgrade from fall 2018 through spring 2019. This schedule of shipyard visits will enable both ships to return to operation for the busiest summer season.

*Spirit of British Columbia* was built in 1993 roku, while *Spirit of Vancouver Island* was delivered a year later. The two ships are the biggest ones in the fleet of Canadian owner - the biggest ferry operator in Northern America. Both vessels serve the Metro Vancouver - Victoria (Tsawwassen - Swartz Bay) route, the busiest ferry connection operated by BC Ferries.

## At Naval Shipyard Gdynia

On 31 July 2017 Naval Shipyard Gdynia SA entered into an agreement with the Gdynia Naval Base Command to perform "Current repair - preparation for internal inspection and pressure testing of compressed air tanks of ORP *Sęp* submarine". The scope of work on the unit includes the exchange of protective covers, repairs of manhole cover, water and fuel valves, WC air valves and repair of compressed air reducers. The work completion is scheduled for November 2017.

On 5 September 2017, the same shipyard signed an agreement with the Gdynia Naval Base Command concerning "Repair and Maintenance of ORP *Lech* - Repairs of crew areas". The scope of work on the unit includes the repair of three crew compartments. The main scope of work is the old flooring screed removal, application of the new screed and floor coverings, the replacement of bunks, cabinets, cabinets for lifejackets, disassembly of old ones and assembly of new doors. The works are being performed at the Gdynia Naval Base. The planned completion of the repair works is November 2017.

## OFFSHORE

### Petrobaltic jack-up rig in Gdańsk again



Photo: Jerzy Uklejewski

Late evening, on October 11, *Petrobaltic* self elevating platform again entered Remontowa SA shiprepair yard again. After upgrade it will be ready for operation at sea.

Let us remind that the offshore floating unit, belonging to Lotos Petrobaltic SA, was undergoing repairs and modifications at Remontowa SA not so long ago. After completion of all commissioned works, it left the Gdańsk based yard on July 19.

During its previous stay, on 7 January, 2017, at Remontowa SA in Gdańsk, a special docking operation was conducted. The shipyard with the assistance of six tugs, in complex operation lasting for almost three days docked the *Petrobaltic* jack-up rig, using

semi-submersible heavy lift unit *REM Lift 25000*, a specially prepared, with dedicated structures added, as this type of rig has legs protruding below the hull bottom level. This has been the 15th offshore platform serviced at Remontowa and the 5th rig docked on board the heavy lift unit so far.

In line with contract signed with Lotos Petrobaltic, at that time the scope of works for Remontowa included mainly steelwork. Among others, the spud cans have been repaired. The *Petrobaltic* rig was floated again on June 7, with Remontowa's scope of works completed ahead of the schedule.

According to information received from Remontowa SA, current range of works includes completion of topsides modules foundations installation, installation of the structure and outfitting of the flare mast, fabrication and installation of superstructure (accommodation block) support frame, outfitting of the whole hull / pontoon, including engine room, foundations and piping in hull and on deck.

The next step will be integration of all modules and systems, hook-up and, in further stages - testing of all the systems of the rig to be delivered to the Client - as Tomasz Małz, deputy project manager explains.

– Technically, the project is another challenge for us. The modules alone are weighing 400 up to 600 ton, thus the skidding proces will be complex - Bartłomiej Mucharski, project manager adds.

## MARINE EQUIPMENT

### **Gillmet to build zinc coating plant in Wocławy**

Gillmet's management has announced that the company received building permit for a new hot galvanizing plant in Wocławy near Gdansk last September. There is currently a tender ongoing for a general contractor to build the plant.

Planned start of construction - ground and foundation works of a 3800 sq m production hall are scheduled for November. The commissioning of the plant and putting it into operation is planned for August 2018. The new hot galvanizing plant is expected to reach its full production capacity at the end of 2018.

Gillmet's new hot zinc coating plant will be operating under the trademark of Ocynkownia Północ (North Galvanizing Plant). The new hot dip galvanizing line will be equipped with a galvanizing furnace and a chemical treatment line, enabling the galvanizing of elements up to 12 meters long at 3 meters width. The weight of the single charge will be up to 8 tons. The zinc bath contains about 500 tons of zinc.

The nominal capacity of the plant will be about 4000 tons per month - which means 48,000 tons of galvanized structures per year. A large part of the production capacity of the new galvanizing plant is reserved for a long-term contract with a foreign buyer. However, as the company claims, with the second galvanized steel plant in Starogard Gdański, Gillmet will be able to fully meet the needs of hot-dip galvanizing services for the entire Pomeranian market.

The projected plant will be equipped with state-of-the-art air purification systems in accordance with the latest EU directives.

### **Cegielski in Greece**

On 09-13 October 2017, representatives of H. Cegielski - Poznań SA, along with the company's agent, paid several trade visits at various shipowners' headquarters in Piraeus and Athens. The conversations took place both at clients' of Cegielski so far and at new, potential co-operating shipowners. Among the subjects discussed there have been production capabilities of marine engines spare parts and possibilities of engine servicing by HCP SA teams.

The busy week brought a satisfying number and quality of meetings and talks confirmed the significant position of Greek shipping community in the world market.

## MISCELLANEOUS

### **„Innovative Maritime Economy” Awards 2017 handed over**

During the 17th Maritime Economy Forum Gdynia, on October 13, 2017, awards of the “Innovative Maritime Economy” competition were handed over for the fifth time. The prestigious statues, in shape of a diamond on pedestal, are each year awarded by a Jury, established by Forum Okrętowe Council, and the funding patron is Piotr Soyka, president of Remontowa Holding.



Award winners with the founder Piotr Soyka (first from right).  
**Photo: Sławomir Lewandowski**

The ceremony was preceded by a video review of the major events in Polish shipyards within the last year, produced by PortalMorski.pl

This time, the “diamond” statues, on behalf of awarded companies, have been received by:

- Krzysztof Gerowski - president of the board, Remontowa LNG Systems (in “Company” category, for dynamic development in the area of LNG propulsion technology),

- Piotr Dowżenko - president of Remontowa Shipbuilding (in “Technology” category, for applying a modern ship LNG fueling from the deck of a passenger ferry,

- Katarzyna Safuryn - president of DesArt Ltd. (in

“Numerical methods”, for development of specialist numerical methods, including seakeeping analysis, enabling design of complex ships and floating structures,

- Ewa Kruchelska - chairman of supervisory board of Crist Ltd. (in “Product” category, for *Marco Polo* floating dock, outfitted with innovative ballast and gauging system, ensuring constant levelling of the unit, safety during operation, as well as protection from wind, waves and sea currents,

- Zbigniew Miodowski - president of ZinkPower Szczecin Ltd. (in “Personality” category, for his personal commitment in developing environmentally-friendly hot dip galvanizing plants in Poland).

Video report from the ceremony is available at: <http://www.portalmorski.pl/tv/flmy/innowacyjna-gospodarka-morska-2017/>

## **Green light for establishing the INNOship program**

On October 13, 2017, at the 17th Gdynia Maritime Economy Forum, dr. Katarzyna Samsel from the National Center for Research and Development announced that the creation of the INNOship program, a sectoral support for R&D in the shipbuilding industry, was approved. The estimated value of future INNOship projects is PLN 726 million. The subsidy to support shipbuilding will amount to over PLN 363 million.

Receiving such a large amount of funding is a huge success for the Association of Employers Forum Okrętowe, on whose application the program will be launched. The Program will use the resources of the “Innovative Development” Operational Program.

Participating in the “Maritime Industries” panel, PWC Polska director Beata Cichocka-Tylman emphasized that all those, who have the idea of a shipbuilding project can apply for subsidies from the program. “The projects should fit into the research agenda, as others will not be accepted,” she added. Projects may be executed and have to be completed until 2023.

She emphasized that the amount of subsidies would depend on the size of the company and the type of research conducted. “The subsidy may usually amount to 50% of the project cost, but small businesses can get a subsidy of up to 85 percent,” - she said.

Further she reported that the value of a single project could be typically one up to two million zlotys. “We are proposing PLN 60 million as the maximum value for one project,” she added. The proposed maximum project duration is to be three years. She said that companies would be able to apply for grants for design work, preparation of prototype structures and floating objects, berth facilities and manufacturing techniques in shipbuilding.

Already early 2018 first works related to the implementation of the program will commence. They will focus on supporting production through innovative solutions.

## **Vistal Gdynia SA filed for bankruptcy**

The Management Board of Vistal Gdynia SA informed that on October 5, they filed for bankruptcy at the District Court for Gdańsk-Północ in Gdańsk, VI Economic Division.

As we may read in the announcement, the application is related to the dynamically changing situation that the Company has reported in its current reports recently and aims to secure the interests of the Company, its shareholders and all of its creditors.

## **Gdańsk Shipyard shareholders signed LOI**

Agencja Rozwoju Przemysłu SA (statek controlled Agency For Industrial Development) and Gdańsk Shipyard Group controlled by Ukrainian interests, as shareholders in Stocznia Gdańsk (Gdańsk Shipyard) and GSG Towers, manufacturer of wind turbine towers, signed letter of intent related to the future of the two companies.

“The Board of Directors of ARP is committed to achieve fast but also stable arrangement of the financial situation of both companies, where ARP is not an entity holding operational control”, explains the Agency, and further: “The purpose of the actions taken is, among others, to allow the long-term development of Gdansk Shipyard. It is in line with the government’s plans to rebuild the shipbuilding industry. “

“A signed letter of intent specifies, among other things, conditions of the due diligence process to be carried out at Stocznia Gdańsk SA and GSG Towers Ltd. before taking business decisions regarding their operating principles and the form of future activities.” It was assumed that the study was to be completed by the end of the year.

It was also reported that the final proposals concerning Shipyard Gdansk SA and GSG Towers Ltd. will be submitted by the ARP after the company audit process.

Gdansk Shipyard SA was privatized in 2007. At present, about 81 percent of shares in Gdansk Shipyard SA are controlled by Sierhij Taruta and the remaining 18.9 percent is held by ARP. GSG Towers, ARP and GSG hold a 50% stake, but GSG has operational control with the authority to nominate majority of the board members.

## **Review of the LeaderShip 2020 implementation progress in European Commission, attended by Forum Okrętowe representative**



Jerzy Czuczman (in the middle) during the hearing.

On October 24, 2017, in European Commission headquarters in Brussels, hearing on the progress of implementation of the LeaderShip 2020 program was held. The meeting was moderated by Marian Krzaklewski, and the presentation on situation in Poland in the context of the LeaderShip 2020 program was given by Jerzy Czuczman, president of Forum Okrętowe association of employers. Jerzy Czuczman was talking of the current situation of Polish shipbuilding industry. In 2013 in Brussels the report “LeaderShip 2020 - The Sea, New Opportunities for the Future” was presented, conceived by the group led by DG Enterprise in European Commission. Report was the result of co-operation of the major interested parties, i.e. the

industry sector, trade unions, EC, NGO’s and coastal regions. The LeaderShip 2020 strategy was established, in which a vision of future based on innovative diversity and diversification of maritime industries is defined, and which points out the needs of small and medium sized enterprises as well. The LeaderShip 2020 was intended to form a basis for a new global sectorial strategy for European maritime industries.

The presentation given by Jerzy Czuczman in Brussels is available at:

<http://forumokretowe-new.iq.pl/files/v20171020fojerzyczuczman24102017eesc.pdf>

## **Parliamentary Commission for Maritime Economy and Inland Shipping - myths and facts on shipbuilding industry in Poland**

On October 26, 2017, in Sejm - Parliament in Warsaw, joint meeting of the Parliamentary Commission for Maritime Economy and Inland Shipping and of National Defence Commission was held. The main topic of

the plenary session, attended by the representatives of the shipbuilding sector as well, was the restructuring of this branch of economy.

Jerzy Czuczman, president of Forum Okrętowe, corrected the erroneous information, circling in media for some two years now, that Polish shipbuilding sector is allegedly classified on the second position in Europe and fifth in the world. He also referred to reports of SEA Europe, mentioning several dozens of ships to be allegedly built in Poland yearly, but including in this number not only fully outfitted, turn-key delivery vessels, but also partially outfitted hulls subcontracted from foreign yards.

Representative of the employers' organization of the shipbuilding sector has also provided information on real Poland's shipbuilding sector performance in 2016, which have already been published in Forum Okrętowe newsletter.

According to Polish central statistics office GUS, publishing its figures for this sector with over one year delay, Polish shipbuilding industry aggregated sales value for 2015 was PLN 10.7 billion, while Forum Okrętowe estimate for 2016 is PLN 10.6 billion. As explained by Jerzy Czuczman, it means Poland achieves just 3 percent of the total yearly sales of Europe in this sector.

Jerzy Czuczman also referred to "Batory project", which - as he pointed out - is mainly addressed to companies associated with state controlled MARS closed fund. He asked if there is a possibility to engage also the remaining 90 percent (in terms of yearly sales) of Polish shipbuilding sector in this pro-development, government supported project.

Audio-visual recording of the plenary session of the Parliamentary Commission for Maritime Economy and Inland Shipping on 26.10.2017, containing the statements from president of Forum Okrętowe, is available at: <https://youtu.be/1NYEWdI8evo>

## Tax Workshop



On October 26, 2017, another meeting within the framework of Akademia Umiejętności (Skills Academy) of Forum Okrętowe.

The meeting, devoted to "Key changes in tax policy" theme, in shape of workshop, has been organized along with Deloitte, member of Forum Okrętowe.

The free of charge workshop has been dedicated for accounting and financial departments of Forum Okrętowe member companies.

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