
Bangladesh looks to carve niche in small ship construction

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It is reported that local shipbuilders in Bangladesh are banking on the ongoing recession to carve itself a position in the global market, as the demand for smaller vessels has increased.

The local Daily Star quoted Mr Sakhawat Hossain MD of Western Marine Shipyard Ltd an export oriented shipbuilder as saying that “Orders for small ships have gone up because of the global financial crisis.”

He said that “Giant shipbuilders cannot capitalize on this new market demand, as their projects will prove to be unfeasible because of the high overhead costs they bear.”

Mr Shajahan Khan head of European Commission Delegation to Bangladesh Stefan Frowein said that the government will facilitate the shipbuilding industry to allow it to excel.

Analysts observed that Bangladesh has the scope to emerge as an export based shipbuilding nation within a decade because of advantages like cheap labour, a presence of nearly 100,000 skilled and semiskilled workers and industry related educational and training institutes.

A long history of maritime activity and a favorable geographical location also placed the country at a favorable position, with about 200 shipyards and workshops to cater to the domestic needs for water vessels. However, Bangladesh's opportunity to emerge as a shipbuilding nation under global standards was created in the last couple of years, as other traditional shipbuilding nations showed little interests in making small ships.

Two leading local shipbuilders Ananda Shipyard and Slipways Ltd and Western Marine Shipyard Ltd have bagged orders to make over 40 small vessels worth about USD 0.6 billion mainly from European buyers.

Including these two shipbuilders, according to analysts, about 10 local shipyards are capable of making ships up to 10,000 DWT as per international standards. But capacity upgrades and expansion are needed for a majority of them to compete in the global arena with shipbuilders in other countries, such as Vietnam, Indonesia and India.

The Western Marine MD said that “By 2012, the world will need more than 10,000 vessels, mostly small to medium sized.”

(Sourced from Seatrade Communications Limited)

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