
Keppel Corp acquires 10pct stake in new Baku shipyard

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The Keppel Corporation has begun work to build a shipyard south of Baku. A MoU of understanding on the construction and operation of the shipyard was signed in Baku on November 20th 2009 by State Oil Company President Mr Rovnag Abdullayev, Azerbaijan Investment Company CEO Mr Afgan Isayev and the executive director of Keppel Corporation, Mr Tong Chong Heong.

Mr Rovnag Abdullayev said that on the expiry of a fixed period, Keppel Offshore would acquire an equity stake in the project. He added that "Since February they have already acquired a 10% stake."

As a result, Keppel, which is responsible for construction and operation of the shipyard, owns 10% of the project, SOCAR 65%, and the AIC up to 25%. Construction of the shipyard is expected to take 2.5 to three years and to cost at USD 300 to USD 350 million. Some 30% of investments are to be made by the partners themselves and 70% to be raised externally.

The shipyard is under construction near the Heydar Aliyev Deepwater Jackets Factory, south of Baku. The yard is designed to build different ships, both civilian and naval, ships for the State Oil Company, the Caspian Shipping Company, the border service, the Defense Ministry and tankers with a deadweight tonnage of up to 60,000 tonnes. The plant will also receive orders for ship building.

The State Oil Company predicts demand for 110 vessels over the next 20 years. SOCAR earlier signed a memorandum of intention with South Korea's STX for the construction of the shipyard. However, it cancelled the memorandum after STX changed its proposals because of the global crisis.

(Sourced from Seatrade Communications Limited)

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