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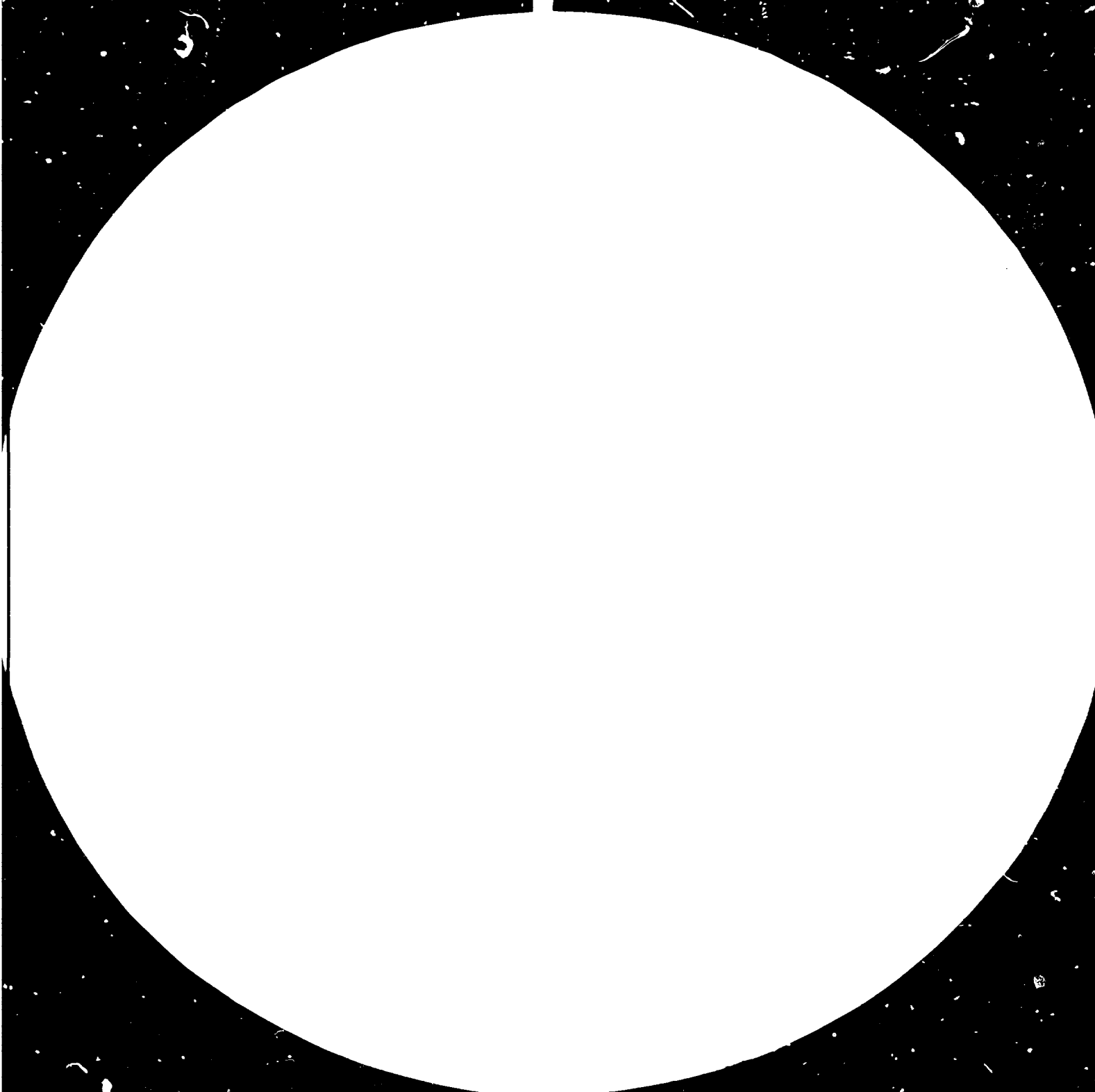
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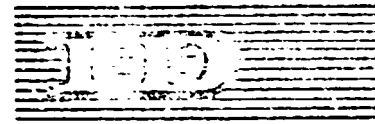


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THE SHIPBUILDING INDUSTRY
IN MALTA*

by

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I. BACKGROUND HISTORY

The maritime history of Malta is as old as Maltese civilisation itself. Indeed, the island's eventful past has been deeply influenced and overshadowed by the processes of marine evolution. From time immemorial this little island, placed by nature between Europe and Africa and located in the centre of the cross-roads of the Mediterranean Sea had no option but to look to the sea for its survival. On the other hand, this Mediterranean 'rock' served as a stepping stone and offered refuge and all sorts of marine support services to sea-faring nations whose ships sailed between the coasts of Europe, North Africa and the Middle East countries in search of commercial ventures or expansionist fulfilment. Even the renowned Phoenicians and Carthaginians, well known for their remarkable mercantile activities, at their time, found attraction in the commercial potentialities Malta offered as a mid-sea nation. Then came the Romans, the Arabs, the Knights and lastly the British. Through this process, and with changing circumstances, Malta acquired experience, tinged however with suffering, deprivation and subjugation.

In early history, the emphasis was on shipping, wharfage and cargo handling and storage. These represent the origins from which all forms of maritime specializations evolved. As interest in this sector grew, the Maltese acquired new skills in ship-building, shiprepair and servicing; in so doing, they helped to establish an industry upon which depended the prosperity of the nation as a whole. It is therefore no wonder that the island has produced a skilled force capable of undertaking with traditional efficiency and devotion all forms of maritime services. In fact, the island's inter-related maritime activities, taken together, represent the most vital of all economic sectors.

There was a time when the dependancy and survival of the nation rested solely on this sector. Nevertheless, maritime activity was high with the result that foreign earnings were substantial and the resource offered great opportunities and prosperity to the Maltese.

Later on, during the course of history, the strategic location of Malta began to assume a more military priority at the expense of the commercial role and with the arrival of the Knights in 1530, the military predominance was absolute and complete.

The pity is that this fate was not determined by the people of the island as a national necessity or as an economic prerequisite but rather by foreign powers posing as protectors but concerned with their own domineering ambitions or expansionist ideals. Their interests were therefore not necessarily commonly shared by the Maltese people.

Such was the epoch of the 'Island Fortress' and the 'Naval Base'. But the vicissitudes of evolution determine the course of history not only of large nations but also of small islands like Malta.

Soon after the closure of the Suez Canal in 1956, came the gradual but steady phase-out of the British Navy based in Malta. Initially, this posed a threat to the very survival of not only the Dockyard force but to the nation as a whole because the enterprise represented one of the few pillars upon which the economic structure of Malta rested at that time. Manpower-cut forecasts depicted a catastrophic situation and great gloom overshadowed the island. It was at once realised that the closure of the Naval Yard implied an unparalleled economic, political and social disaster and that therefore immediate adaptation of the servicing facilities for commercial use was a paramount necessity.

The skilled labour force and the potentialities of efficient management was all there. What was required was a re-orientation of purpose implying heavy financial investment in the form of new machinery, rehabilitation of staff, extensive civil engineering work (dock construction and extension). What was therefore initially an impending storm eventually ended up in being a driving force for the transformation of the Dockyard from a crippled and dying industry into a sound and commercially viable enterprise.

This is all indeed very recent history. One may wonder and ask why so much elaboration of the past when we are more concerned here with the present and the future. This is true, but, on the other hand, is it not a fact that it is not possible to evaluate the present and also visualise the future, without analysing the pre-determining factors? Only then one can understand why the local marine engineering industry, especially the shiprepair sector, is now on a sounder footing both structurally and economically, and this, at a time, when this particular industry is plagued elsewhere by widespread recession.

Such accomplishments would not have been realised were it not for the great effort put in by the workers themselves. Industrial democracy has been introduced in the sector and the workers elect from amongst themselves their own Council of Administration.

The activities have been diversified, extended and enhanced to include Shipbuilding (currently by Malta Drydocks and later on by the recently set up Malta Shipbuilding Co Ltd), Yacht Servicing and other heavy metal-industrial operations. The desire that Malta should become a centre in the Mediterranean for ship-repairing and shipbuilding is now a major national economic objective and the two enterprises responsible for its realisation are the Malta Drydocks and the Malta Shipbuilding Company Ltd.

II. MALTA DRYDOCKS

Malta Drydocks is an old established organisation whose main function is shiprepairing. In addition it undertakes some shipbuilding and a range of industrial and electrical engineering works. Its activities also include yacht servicing, classification of vessels, steel fabrication and a full range of allied marine-oriented activities. It maintains world-wide contact through its network of agencies.

Malta Drydocks has a highly skilled labour force of some 5,200 and the yard's facilities include a modern tank cleaning installation which is steadily growing in importance in view of the increasing accent being placed internationally on safety and non-pollution of the sea.

Malta Drydocks operates five dry docks the largest of which can accommodate vessels of 110,000 deadweight tons. With the commissioning of the sixth dry dock with a capacity of 300,000 deadweight tons in 1979, Malta Drydocks would be in a position to offer docking facilities to the largest vessels likely to transit the Mediterranean.

Malta Drydocks offers its customers a full range of hull, engine electronic and electrical repairs. The yard's service is unique in that all work required is carried out without resorting to allocations to sub-contractors. This is particularly acceptable to owners' representatives as they are able to supervise the work more easily. In this instance, too much valuable time is saved and this is conducive to meeting agreed completion dates.

Work carried out at Malta Drydocks includes voyage and accident repairs, surveys, conversions and jumboising. The yard's facilities are being increasingly sought by vessels connected with the offshore oil industry and various types of oil rigs, support vessels and tugs are now regularly effecting repairs at Malta.

Special services available include drawing office and laboratory facilities, blasting and coating, underwater cleaning. Travelling repair parties are available to carry out at short notice, repairs at sea both in an emergency or as a means of reducing lay up time during normal voyage repairs or classification surveys. In fact, it is an extension of the repair service available to owners and it is intended to meet the changing situations arising from the reduction in crews, automation and the increased capital investment required for larger vessels.

In order to maintain its place among the leading shipyards, Malta Drydocks, in addition to the construction of an additional dry dock, embarked on a development programme aimed at increasing facilities and improving its efficiency.

Apart from extending the existing steel producing and stocking facilities and the installation of new plant and equipment, the yard's crange capacity and transportation system were increased to cope with the bigger turnover. A commercial computer was also installed to accelerate the calculations involved in working out labour allocation, wages and salaries, inventory control, production planning, personal records and financial accounting.

Although in the shipbuilding field Malta Drydocks is restricted to a capacity of about 10,000 deadweight tons, the range the shipyard can handle is quite varied.

The list includes tankers, cargo vessels, bulk carriers and coasters. Tugs and floating docks, barges and pontoons form part of the yard's building range. Malta Drydocks is also active in work connected with the exploration and exploitation of off-shore and inshore oil through the construction of pipe and derrick laying barges and single point mooring buoys and storage installations.

In the industrial engineering sphere, the yard's activities include the construction of fuel, gas and wine tanks, pressure vessels, cranes and steel fabrication for factory and bridge building.

The yard's development programme also took in the requirements of the newbuilding and industrial engineering section and the projects in this sphere included the conversion of a dry dock and its surrounding area into a newbuilding complex complete with outfitting wharves and the construction of a building basin with a total capacity of 3,000 deadweight tons.

Malta Drydocks also ensured that its labour force would keep abreast of the latest technological developments by maintaining a regular training programme ranging from refresher courses in the yard itself to on-the-job and advanced training overseas. This training programme is in addition to the courses organised regularly by overseas firms of whom Malta Drydocks is the accredited agent.

Malta Drydocks also runs a yacht and small craft repair yard which operates under the name of Manoel Island Yacht Yard.

This Yard, which is in close proximity to Malta's principal yacht marina, is equipped with seven slipways capable of handling boats up to 60m in length and 500 tons displacement. Refits, overhauls, conversions and repair facilities are backed by services such as welding, lighting, fresh and salt water, compressed air and a spares department for most of the standard equipment normally required by boats undergoing refit.

About 140 boats can be accommodated in the winter storage boat part, which is serviced by a 25-ton mobile hoist.

Malta Drydocks was the first major industry in the Island to introduce worker participation in the administration of its affairs.

This step was taken in 1971 and the workers have since attained full participation in the management set up (Council of Administrators).

Worker participation began to assume more important proportions by being extended to various committees active in the day to day running of the enterprise. Perhaps the most important of these are the Work Committees, which are elected on a yearly basis and whose main function is to collaborate with the Council in further improving the yard's performance.

Work Committees are intended to:

- (a) ensure the best possible use of machines and equipment in their areas;
- (b) assist Council and Management in safety and welfare requirements;
- (c) ensure a fair distribution of work and assist those who have not achieved required levels;
- (d) ensure a better utilisation of labour during slack periods;
- (e) study and suggest improved production methods.

The recipe for success for any enterprise must include teamwork at all levels and at Malta Drydocks, the combined efforts of its workers, management and council are an important contribution towards making Malta a main centre for shiprepairing and shipbuilding in the Mediterranean area.

III. MALTA SHIPBUILDING COMPANY LIMITED

Marsa Shipyard Project

Introduction

When the go ahead was given to the initiation of works on the Marsa Shipbuilding Yard Project in January 1975 a national enterprise was born and, as time will prove, it will establish this little but industrious mid-Mediterranean country in the field of shipbuilding. In fact, the project features predominantly in the national development programme and there is every indication that the shipyard will be one of the major local enterprises. The magnitude of the project may be assessed from the capital-entirety to be invested, estimated to be in the region of 60 million U.S. dollars.

Objectives of the Venture

The shipyard is being constructed to modern specifications, highly automated with a capacity for the manufacture of vessels in the range of 30,000 - 120,000 DWT. The techniques to be applied will be of a high standard based on efficient workmanship employing the most up-to-date equipment and aimed at satisfying the requirements of prospective clients.

Feasibility of Project

In order to ensure that these objectives will be realised top advisory firms and also foreign experts reputed for their experience and technical know-how in the shipbuilding sector were consulted. A feasibility report was drawn up in May 1975 and the findings gave every indication that the project was not only technically and economically feasible but should prove attractive in view of such major considerations as:

(a) Geographical Position of Malta

Malta is strategically located in the centre of the Mediterranean. The island maintains air and sea links with European countries and neighbouring North African states.

(b) Suitability of Site Selected

The area chosen is situated in the inner reaches of Malta's main port - the Grand Harbour - is well sheltered from sea-turbulence, existing quays may (and in fact will) be utilised for loading/unloading facilities, requires only minimal rock-cutting, is readily accessible to municipal services and within easy reach of transportation of labour.

(c) Labour Costs and Standards

The cost of living in Malta is much lower than that in Europe and the wage-rate of shipyard workers is about one third that of counterparts in North European Yards. Moreover, skilled labour is readily available, is flexible, diligent and generally possesses qualifications obtainable from technical institutes and polytechnics. When fully operational the Yard is expected to employ some 1,500 hands besides management staff and supervisors.

(d) Climatic Conditions

The local climate is healthy, moderate and as such never provokes disruption of operations and work processes.

(e) Government Support

The project has not only been pioneered by the Government but is assured of its continuous support.

(f) Malta's International Relations

The Maltese Government has adopted a policy of non-alignment maintains friendly relationship with all nations dissociating itself completely from power-bloc affiliations. The benefits derived from this stand are in the form of policies, programmes and projects worked out with friendly nations, particularly neighbouring Arab States, to mutual advantage.

Foreign Participation

Overseas interest in the venture is evidenced by the fact that the Libyan Arab Maltese Holding Company Limited (in which Libya has an equity of 51%) holds 50% of the shares of the Malta Shipbuilding Company Limited which was set up on 23 August 1976 when it took over full control of the Marsa Shipyard Project. The Malta Government owns 35% whilst the balance of 15% is earmarked for Algerian interests. It is the policy of the shareholders to invite participation by other parties representative of Mediterranean interests even at the cost of transferring shares themselves out of their holdings for this purpose.

Progress on Project

It is estimated that the construction of the yard will be completed by the end of 1980. The three major sectors of the construction phase of the project are.

- (a) Civil Engineering Works;
- (b) Workshop Construction;
- (c) Procurement of required plant and machinery.

The necessary designs and working drawings have been completed, soil investigations have been made and rock-cutting and silt-dredging are in an advanced stage. The workshop foundations have also been completed and the massive steel workshop structure is in hand. The construction of the quay walls is in a very advanced stage. The cofferdam has been constructed out of sheet piles and the dock structure should be ready soon. Discussions with prospective suppliers of the required shipbuilding plant and machinery have also reached the final stages and orders are expected to be placed soon. To ensure that only the best and most efficient type of plant and equipment is employed suppliers were 'sounded' through an international call for tenders.

Whilst these operations are proceeding at full swing, schemes are being drawn up for the selection and training of the required yard personnel. In addition, contacts have been initiated with prospective customers and other participants who may be interested in this venture.



