

# New production complex continues growth

**St Petersburg-based Russian shipbuilder Open JSC, known as Pella, is expanding its capacity with its new complex expected to reach its production targets in 2018.**

The yard's new facilities have an annual target of producing eight to 10 vessels, with a length of up to 110m and a draft of up to 6m.

Tugs, pilot vessels and general service craft with a length of up to 50m will continue to be built at Pella's older facilities.

The expansion project continues growth at Pella which has seen its tugs and pilot vessels exported to and operating in countries such as Lithuania, Norway and Italy.

In 2014 Pella became a co-owner of German shipyard Sietas, which now operates under the Pella Sietas brand name. The shipbuilding complex in the Port of Hamburg, Germany, occupies an area of 14 hectares, building vessels worth €250-€300m each year, including cargo vessels adapted to accommodate variously sized cargoes, tugs, icebreakers, dredging vessels, trawlers and other fishing vessels.

Responding to market needs, Pella Sietas also offers repair and conversion work.

Since 2014 Pella has been engaged in building modern Ice Class ASD rescue tugs for its PS-45 project. These are intended for multi-functional towing of vessels, floating objects and structures in ice and open water,



and for fire-fighting operations at both floating and shore objects, salvage work and other operations. The Russian Navy ordered four sister vessels of this type.

The PS-45 tugs have a 48m LOA, a 13.9m width and 6m draft. The vessels, with an icebreaking capability of up to 1.5m, have

▲ *An Ice Class ASD PS-45 tugboat built at the Pella shipyard in Russia*

65-tonnes bollard pull and speed of 14 knots.

With a crew of eight, the PS-45 has also been designed to accommodate up to 25 specialist personnel.

## Generator firm sees opportunities in marine sector

**The Switch, a specialist in advanced drive train technology, saw a sharp jump in growth last year. The company increased its net sales by 80 per cent from €40m to more than €72m. Moreover, profitability also returned after a few previous years of losses.**

Company CFO, Dag Sandås, said: "Financials finally started to improve briskly in the right direction. We are no longer dependent on just one big client; we have more clients in different parts of the world, from Asia to Europe. This growth was driven organically, thanks to our new products and customers."

The firm's designed and manufactured permanent magnet generators and power

converters are used in wind power generation, marine applications and other industrial sectors.

Sandås said: "Most of our products – about 75 per cent – go to wind power production. For example, the Chinese wind power market as well as the European offshore business are driving significant growth for us. Just recently, we started to deliver the world's largest offshore wind power generators to the UK."

The company has high growth expectations for marine applications. Last year, backed by its Japanese parent company Yaskawa, the company acquired Wärtsilä's marine power drives business for megawatt-class applications to help

strengthen The Switch marine permanent magnet shaft generator business.

The Switch strives to be the industry's best in providing drive train components to future-proof vessels.

Sandås said: "Our sales of products for marine applications have increased notably, especially considering the fact that the shipbuilding industry has been fairly quiet in general lately. Nevertheless, we see growth opportunities in this sector in the coming years. Therefore, our acquisition of the Norway-based business is clearly a good investment in the future."

The Switch currently employs about 200 people in its factories in Vaasa and Lappeenranta, Finland and Stord, Norway.

## Confidence levels steady despite concern over political uncertainty

**Shipping confidence held steady in the three months to the end of February, according to the latest Shipping Confidence Survey from international accountant and shipping adviser Moore Stephens.**

In February, the average confidence level expressed by respondents was 5.6 out of 10, unchanged from the previous survey in November 2016 and equal to the highest rating since August 2015.

Owners were the only main category to show an improved level of confidence, up from 5.4 to 5.6. Confidence on the part of charterers was down from its all-time survey high of 6.8 to 5.9, while that of managers fell from 6.4 to 6.0.

Confidence levels in the broking sector, meanwhile, dropped from 5.6 to 4.6. The survey launched in May 2008 with an overall confidence rating of 6.8.

Richard Greiner, Moore Stephens partner, shipping and transport, said: "After three successive quarterly increases, shipping confidence has held steady.

"This is encouraging given the continuing political uncertainty in the US and Europe. Shipping is vulnerable to changes in the political landscape, and a slew of elections in leading industrialised nations will render it particularly so this year."