

# full speed ahead

It's time for Africa to source its needs from the continent, says Sam Montsi, chairman of Montsi Investments, partner to Damen Shipyards Cape Town. By KERRY DIMMER

**'The perception that products from other continents are of superior quality needs to change, especially if Africans are serious about a Nepad objective: keeping African business in Africa,'** says Sam Montsi, chairman of Montsi Investments, which is a shareholder in Damen Shipyards Cape Town (DSCT).

His comment is relevant, given that DSCT works to the high international standards of the Netherlands-based Damen Shipyards Group, a leading manufacturer of quality vessels and operator of 40 shipyards.

The group is one of the largest privately owned shipyard organisations globally with a product range that includes tugs, workboats (such as Multi Cats and Shoalbusters), dredgers, pontoons and barges, fast crew suppliers, research vessels, patrol vessels, ferries, cargo and naval craft.

'With such a mighty force behind DSCT, we are in a unique position to avail ourselves of the best technology, design and engineering expertise in the world.

'The Cape Town operation also builds vessels on spec for the group so we are able to meet customers' requirements at relatively short notice and at very competitive rates,' says Montsi.

The Damen group is unique in that it encourages competitive tendering between

its own shipyards, which is indicative of just how serious Damen is about servicing a client's needs to the best possible standard and price.

Montsi says: 'A Damen salesperson will secure an order from, say, Cape Verde for a certain vessel. Quotes will be called for from Damen shipyards in Cuba, Vietnam, Cape Town and so on. Where the vessel is built is irrelevant because quality is already assured. However, this strategy motivates all shipyards to take their level of service one step further and become more cost competitive.'

There are two broad operations within DSCT. Firstly, it manufactures vessels to customer specifications and secondly, it repairs and services vessels.

Repair, about 40% of Damen's business, was introduced two years ago at DSCT and is rapidly growing. Mainly steel hull workboats are manufactured at the yard with customers coming from port authorities, fisheries departments, navies and private companies.

'DSCT's main target market is Africa. We have manufactured vessels for South Africa, Nigeria, Ghana, Mozambique, Angola, Kenya and Tanzania as well as countries in the Caribbean and other nations.

'We are however, looking to secure more work in areas where there is growth

potential, and Africa, with its newly found oil and gas wealth, presents a great market for our vessels.

'With the spiralling piracy challenges off East and West Africa, we are keen to support initiatives to address this scourge with patrol and other specialised vessels. We are well positioned to supply quick response vessels to navies and patrolling authorities,' he says.

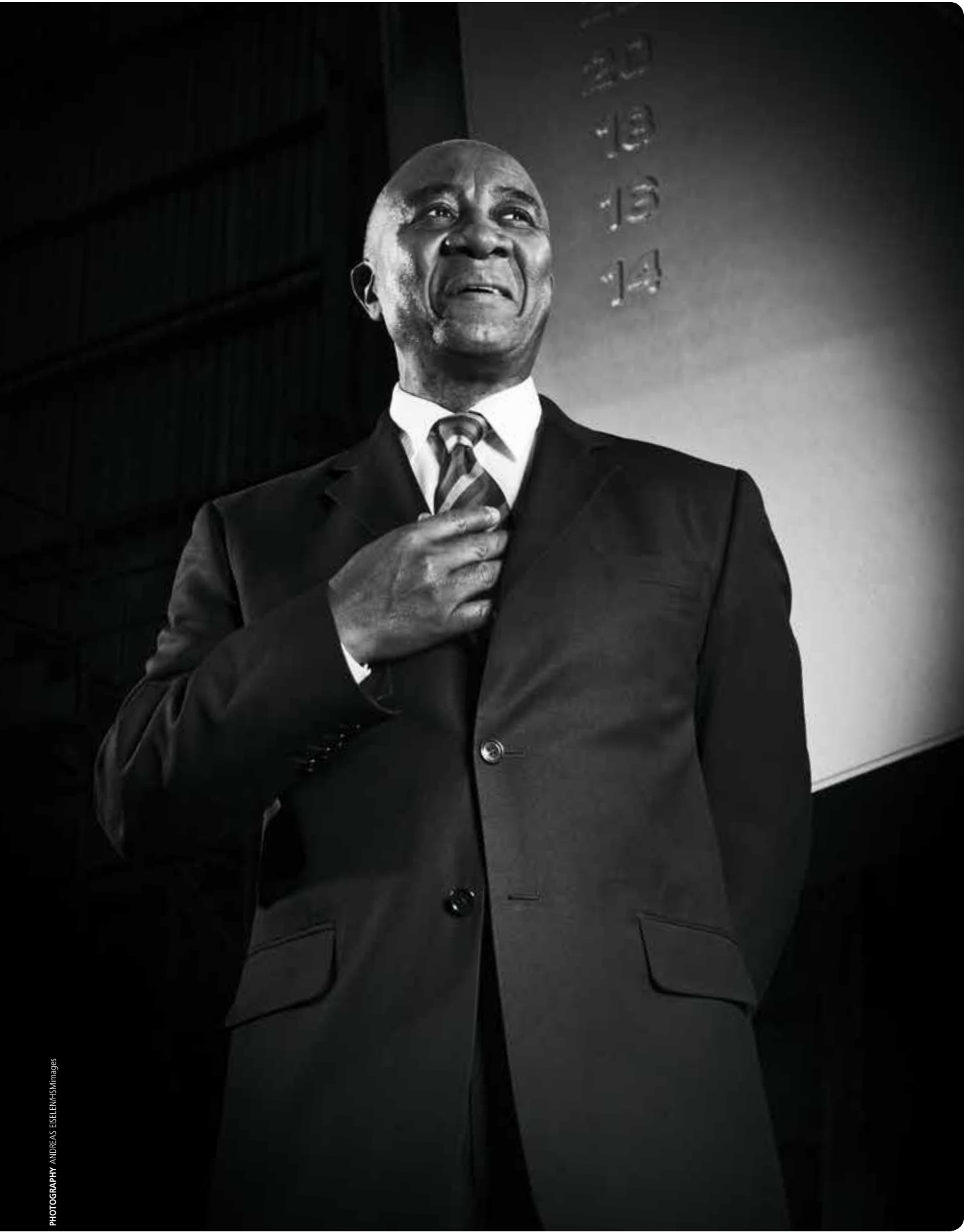
Montsi says Africa is now emerging as a very attractive investment location, despite being disparagingly referred to as 'the dark continent' for many years.

'There is a lot of activity in African countries to accelerate the pace of industrial development and international trade. This requires the expansion of capacity of inland and sea ports, and DSCT is ideally placed to build and supply dredgers and other equipment required to advance these developments,' he says.

The Damen group worldwide offers a standard range of designs and vessels that satisfy most requirements of port authorities.

However, some may demand compliance to specifications that relate to geographic regions. For instance, a vessel that sails in the cold waters of Iceland will require specialised insulation and heating facilities, while countries near the equator need cooling equipment.

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Depending on the type and size of craft required as well as specifications, it can take between 12–36 months to build a typical vessel. Such manufacture is a complex operation requiring special care and focus on quality, but the Damen group is known for its quick turnaround time, made possible by staff that apply tried and tested procedures and processes. This is backed by the group’s relationships with suppliers of key equipment such as diesel engines, generators and propeller systems.

‘What most people don’t realise is that shipbuilding is not unlike any construction business – all is well when the business has a full order book, but there can be real trouble when that order book is empty,’ says Montsi.

‘In this business you cannot afford to layoff key people during quiet periods, given the nature of the highly trained and specialised services they provide.

‘To overcome this challenge, the Damen Shipyards Group allows us to build vessels on spec, so from time to time DSCT is contracted to build vessels the group anticipates will be required two or three years down the line. We therefore have business during difficult times and

our staff is assured of secure jobs, come rain or shine.’

DSCT has embraced an apprenticeship programme that develops up to 10 apprentices per year, with a strong focus on previously marginalised communities and women.

‘The marine environment has been largely male-dominated for decades and we are encouraging women to join this sector. They are doing fantastically well. Just their presence on the shop floor has ensured men behave in the work environment, and are more productive,’ quips Montsi.

It’s not just the work ethic that changed when the Damen Shipyards Group bought out the business of Farocean Marine in 2007. Operational premises have seen significant improvement. ‘Most divisions now operate in line with the demanding Damen standards and procedures. A new modern building with a typical Damen look and feel was opened in December 2012 to house the head office and the new service, maintenance, and parts department,’ says Montsi.

His enthusiasm for the business is inspired by a true African story. Born in Orlando West in Soweto, South Africa, he escaped apartheid-era ‘Bantu education’

by completing his primary education and first degree in Lesotho. Further education was acquired at the University of Sussex in the UK, and the University of Colorado and Williams College in Massachusetts in the US.

His degrees in business economics and economics development led him to a position at the Lesotho National Development Corporation. This gave him the confidence to start his own consulting business that focused on facilitating foreign investments into Lesotho.

After a short period with South African Breweries, the yearning to be his own boss returned and after a series of investments, Montsi found himself immersed in the fishing industry. This ultimately led to his journey into shipbuilding and the relationship with Damen in Cape Town.

Montsi returns to his statement about the focus on African business.

‘In the final analysis, markets are growing on the continent, and with the financial muscle of the Damen group behind us, plus our geographical location, quality and expertise, DSCT is ready to serve the continent as an African business for African development.’ **AD**