

Abu Dhabi MAR grows by the yard



Abu Dhabi MAR is quickly making a name for itself – not only with its huge new facility in the Middle East, but also with its acquisitions of some key European yards. *Boat International* spoke to Abu Dhabi MAR's chairman, Mr Iskandar Safa, to find out more

► The all-new Abu Dhabi MAR Shipyard, set on prime property across a deep-water channel from Abu Dhabi's main shipping terminal, Port Zayed, is impressive. Even before its completion, it has more than 1,000 employees, and ultimately will include nearly 200,000 square metres of land, with nearly 42,000 square metres under cover. It has a waterfront of 550 metres, an 800-tonne Travelift and a 12,000-tonne shiplift.

Abu Dhabi MAR Shipyard is part of the newly formed holding company Abu Dhabi MAR, which seems destined to become a world leader in yacht construction and naval shipbuilding. Its chairman, Mr Iskandar Safa, is a Lebanese-French entrepreneur. No newcomer to the shipbuilding scene, he has owned the French CMN shipyard for nearly 20 years, leading it from production of military corvettes to its current series of superyachts. Mr Safa owns a 30 per cent share of Abu Dhabi MAR through his family-owned Privinvest Holdings, with the remaining 70 per cent owned by Al Ain International Group, based in Abu Dhabi.

In July 2009 Abu Dhabi MAR acquired controlling interest in the German Nobiskrug yard, and in October 2009 it agreed to establish a long-term partnership with ThyssenKrupp Marine Systems, with Abu Dhabi MAR owning an 80 per cent stake in the Blohm + Voss yard.

Iskandar Safa agreed to comment on the deal and to reveal more about the new goals of his ambitious global enterprise.

Has such a global yachtbuilding group ever existed?

Your question is already a compliment. In fact, there is no group today with such international coverage.

What are your immediate goals for Abu Dhabi MAR?

We have to consolidate and optimise the synergies. The first aspect

is market penetration. With CMN, we are present in certain regions, while Nobiskrug and Blohm + Voss are present in others. Where we were not present as a single company, we are now present as a group, which gives us much more important market penetration. The second aspect is that our products are complementary. What we build at Abu Dhabi MAR or CMN is not necessarily the same size as what we build at Nobiskrug or Blohm + Voss. Now we cover a very interesting range of products in the superyacht sector. This applies to the military sector as well. Obviously, each shipyard has advantages it brings to the others.

What is the agreement between Abu Dhabi MAR and Blohm + Voss?

The strategic partnership involves a 50:50 joint venture, named Blohm + Voss Naval, to design and build naval surface ships – frigates, corvettes and offshore patrol vessels. It also involves Abu Dhabi MAR owning an 80 per cent stake in the yacht business and in each of the companies: Blohm + Voss Shipyards, Blohm + Voss Repair and Blohm + Voss Industries. The transaction is subject to approval by the supervisory bodies of both groups. On the naval side, it is subject to disclosure requirements under the German Foreign Trade and Payments Act (AWG).

When are you expecting the deal to be closed?

It will take a number of weeks. There is some work to be done, especially on ThyssenKrupp's side. We hope to close the deal soon.

Do you plan any changes to company management?

Changes: No. Optimization and consolidation: Yes. Building alternatives: Yes. In management's view, the shipyards should

become closer to each other. It is much more efficient to share information. Each company can really benefit from information the others have, whether relating to the market or technical issues; we can use it in a positive way.

So these facilities can now exchange designers, engineers and even some products?

Absolutely. Each of the companies can take advantage of being part of the group. This is the core idea.

What are the main differences between the yards you own?

First, products. Nobiskrug only builds yachts. But it does maintain and repair naval ships, mainly for the German navy. For military vessels, CMN and Blohm + Voss are complementary. Blohm + Voss specialises in corvettes and frigates; CMN in corvettes. In terms of yachts, CMN produces up to 60m, while Nobiskrug builds much larger yachts. Abu Dhabi MAR Shipyard will build yachts between 80m and 200m. Blohm + Voss also builds larger superyachts, such as the recently launched *A* and *Eclipse*.

Second, location. We offer a broad variety of sites to build or refit vessels, which is a big plus in marketing. Certainly, in regions such as the Gulf and some Asian countries, we have a great advantage over Eurocentric operations.

How would you describe your own responsibilities?

I'm very much involved in what we do. Sometimes, too much! Together with my management team, we will develop the group further, taking strategic decisions. I have no specific function, but being an owner, I am involved in all aspects of the group's activities.

Do you plan to keep the same management for both recently acquired shipyards: Nobiskrug and Blohm + Voss?

Yes. Our Board of Managers will oversee all the yards. We will consolidate marketing and sales activities as much as possible.

Could you estimate what ratio of Abu Dhabi MAR's global business will be devoted to yacht building, naval ships, and commercial?

Shipbuilding is not like the consumer goods business. We can't say we maintain a certain percentage of this and that. What I can say, considering the shipyards we have today, is that we are building 12 superyachts ranging from 51m to over 160m. Military orders are probably as important as the civilian ones. Besides, today we are the major refit and repair company in Germany, having Blohm + Voss and Nobiskrug. Blohm + Voss is also producing industrial products, such as stabilisers. Most of these products are relevant to shipbuilding.

You have been involved in yacht building since acquiring CMN in 1991. What do you think about this acquisition almost 20 years later?

It was an excellent shipyard with excellent references. But the company had to adapt to the current environment, and I believe it adapted quite well. All superyachts built at CMN are considered excellent products. The last two Line60 yachts were very well received by the owners and the industry and won three major awards. A third one is being built for a Middle Eastern client. On the military side, recently CMN launched a very sophisticated 72m corvette – we are very proud of it. We are also expanding our associated naval services, such as technical support and training.



These are big advantages to offer a client. We are increasing our capacity for new products – larger yachts or larger military vessels. We need to be efficient to adapt to a changing world.

When you started this business, was CMN involved with yachting?

When we took over, CMN was converting a support vessel into a yacht, but the yachting specialisation developed later. In 2000 a Yacht Division was opened at CMN. The first launch was *Bermie* (2001), then *Heloval* (2002), *Lady B* (2003), and the 58m *Netanya 8* (2007). Then we created the Line60 with Andrew Winch Designs.

When and how was Abu Dhabi MAR Shipyard created?

The shipyard was created in early 2008, for the initial purpose of building the 141.7m Swift141 and 135.6m Swift135. Both yachts use Dutch-built frigate hulls, which have proven fast, efficient, and in excellent condition. The hulls were stripped to bare steel, and the engineering, outfitting, interior accommodation and finish are new.

Why did you use the hulls of Dutch Navy frigates?

The UAE Navy purchased them from the Royal Dutch Navy in 1998. When the Navy decided to replace them with new corvettes, local clients agreed to make use of the hulls as the bases for all-new, high-speed luxury yachts. The process will produce two of the world's longest, finest yachts, yet save well over two years per project compared to an equivalent yacht a client might have designed and built from scratch.

Do you produce steel hulls at the same facility?

Abu Dhabi MAR Shipyard has construction expertise in all materials: steel, alloy and composites, and does all construction on-site. But hulls will be subcontracted to the best specialist sources, including CMN and Nobiskrug, to assure top quality, as is the practice in other major yachtbuilders.

Who are the workers and technical specialists – are they from the Gulf region, or you have hired an international workforce?

On-site shipyard management, designers, engineers and supervisors have been selected from every major shipbuilding region, including the US, Canada, Europe, Australia, New Zealand, South Africa and more. The roster of key employees comes from more than 35 nations. On-site subcontractors are also chosen for expertise and a solid international reputation for accomplishment.

Who are your subcontractors?

Subcontractors can include our members as well as the world's top organisations specialising in engineering, construction design, outfitting, HVAC, electric and electronics, painting and interiors. These include such well-known European names as Heinen & Hopman and IMTEC. Composite work is now performed in-house,

but the Swift141 superstructure was mainly built in the US by VectorWorks, Compellenia and JF Crane Inc. Because of the size of the Swift141, interior components have been assigned to two highly reputable European interior specialists, Struik & Hamerslag and Metrica, and two in the Emirates, Greenline and Pino Meroni.

How many boats could you build at the same time, and at what size?

We can build two yachts from 80m to 200m, and several smaller vessels.

Is it correct that you have four yachts under construction?

Yes, in addition to the two Swifts there is a 53m alloy motor catamaran and a traditionally styled 52m local-type dhow. These are all being built for clients in the Gulf region.

Who is the interior/exterior designer for the Swift projects?

Pierrejean Design Studio in Paris has done both the exterior styling and the interior of the Swift141 and Swift135.

Is Abu Dhabi MAR Shipyard 100 per cent concentrated on yachts, or does it include commercial and military shipbuilding as well?

The shipyard is currently fulfilling an order for a number of very fast composite-built coastal patrol boats, and will undertake other military orders in the future.

What is the situation in the yachting business in the UAE?

The recent international financial turmoil has softened the market elsewhere, but has not diminished the interest in yachts in the Gulf region by very much.

With the launch of 162m *Dubai* is the UAE going to become one of the most important countries for yacht building?

Dubai is an important achievement, and remember – it was begun at Blohm + Voss. Once the Swift141 is launched for the world to see, the UAE will be recognised as an important, financially sound yachting centre that clients can trust.

When creating Abu Dhabi MAR Shipyard, did you consider the experience of Platinum Yachts or was it a totally independent project?

We have been shipbuilders since 1991. We also owned boats long before the creation of Platinum and the acquisition of CMN. Abu Dhabi MAR Shipyard comes much more out of our own experience than someone else's.

What is the place of Abu Dhabi in this development?

Abu Dhabi is undergoing a carefully planned development of its cultural facilities, tourism and maritime life, and is becoming an internationally recognised centre for yacht building and major refits. Abu Dhabi MAR Shipyard intends to lead the way.

Are there many shipyards in Abu Dhabi and the other Emirates?

Who are your competitors?

Compared to Europe and the US, there is relatively little capacity for top-quality large-yacht building in the UAE, one prime reason for the creation of Abu Dhabi MAR Shipyard.

With the Formula 1 Grand Prix a great success in Abu Dhabi, do you have an ambition of transforming Abu Dhabi into the Monaco of the Middle East? Do you think it could be an exciting yachting destination and why?

Yes, the Formula 1 Grand Prix was a great success. And the facilities created for it are magnificent. The prestige of this high-end event will further enhance the UAE as a place for important people to be and to be seen.

The three Abu Dhabi MAR yards made a strong impression at the Monaco Yacht Show. What is your feeling about the latest MYS?

Our unified branding made it clear to visitors that we are a force to contend with, and that we are here to stay for the long haul. Nobiskrug's *Siren* and CMN's *Slipstream*, both award-winners, showed very well and were well received by VIP visitors and the marine press.

You did not mention the crisis. What future will the yacht market have?

We are getting out of the crisis. Some players were really badly hit, so the environment is different from the one we had two or three years ago. But yacht building will come back to the level where it was before. I seriously believe this. We live in the world of entrepreneurs, and where people create wealth, there is always demand for luxury products. Superyachts are part of this. So I'm very optimistic.

Who are the main customers for yachts nowadays?

Really, they come from all over: Europe, The Americas, Middle East. We have just delivered two yachts to two excellent clients from Australia. Nobiskrug has clients from Europe and the USA, Abu Dhabi MAR Shipyard has clients from the Middle East. We have clients from all over the world.

What is the attitude to luxury in the Middle East? Do people like to show off? How long are they involved in yachting?

They are very much involved in yachting. And they look for a very high quality in what they acquire. The region is growing a good deal in terms of superyachts and yachting facilities. A good number of marinas have been developed, with beautiful architecture. I do believe the Middle East is going to be a serious, important destination for the yachting community.

Do you think the Gulf region could be used as a superyacht base?

Just like the Caribbean, the Gulf is a destination for many yachts after the Mediterranean season is over. And the Gulf is going to have more and more to offer. It is going to be an important yachting centre. The Gulf is my region, my culture. I am from this area. I am from the Middle East. I like the environment and I love the weather – I prefer warm weather to the cold.

