



# PandaNews

## COSCO SHIPYARD NEWSPAPER

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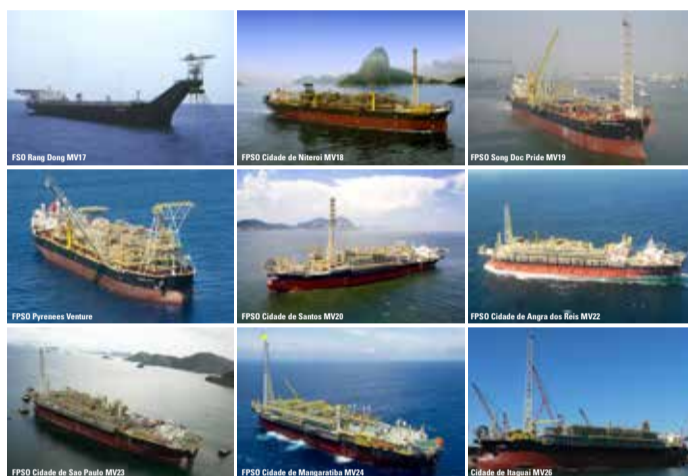
**MISSION STATEMENT** To be a world leader in ship repair, conversion, new building and offshore marine engineering, we maintain trusting relationships with our customers, employers, and partners, yielding best returns for shareholders, society and environment. Depending on our talented engineers working alongside with an efficient project management team and a highly skilled workforce, we could guarantee to deliver the projects we undertake timely and professionally.

## COSCO secures FPSO conversion from MODEC

COSCO (Dalian) Shipyard has recently secured a contract from MODEC Offshore Production Systems (Singapore) to convert a 2000-built very large crude carrier (VLCC) into a floating production, storage and offloading (FPSO) unit. The unit is due for delivery in the second half of 2016 and will be deployed for operations at Tartaruga Verde and Tartaruga Mesquita fields in Brazil.

The unit will be equipped with a spread mooring system and will be capable of processing 160,000 barrels of crude oil per day. The design life of the unit is 20 years. The unit will be classed by ABS.

Modec Offshore Production Systems (Singapore) is a subsidi-



ary of Japan-based MODEC (Mitsui Ocean Development & Engineering Co., Ltd). Founded in 1968, MODEC is now the world's second largest contractor specializing in

engineering, procurement, construction and installation of floating production systems. To date, we have already delivered 9 FPSO and FSO projects to MODEC.

## COSCO-built floating accommodation unit put into action in Gulf of Mexico

On April 17, the floating accommodation unit "Neptuno" was put into action in the Gulf of Mexico. The unit was built by COSCO (Nantong) Shipyard and delivered to the Mexico buyer, Cotemar, on 5 January 2015. It started its long

journey to Mexico on 10 January, and, after three months' sailing, reached its destination on 11 April. A careful inspection carried out by Cotemar and Pemex showed that the unit was fit for operations in local sea conditions.



## COSCO Zhoushan delivers 152,000-dwt shuttle tanker to Knutsen

On March 27, COSCO (Zhoushan) Shipyard delivered a 152,000-dwt shuttle tanker, Raquel Knutsen, to the Norwegian owner, Knutsen NYK Offshore Tankers (KNOT). The shuttle tanker is the largest, in terms of tonnage, that the yard has built and delivered, a milestone in the yard's shipbuilding history. This achievement will add to our solid track record, which will hopefully contribute to the success of the yard in securing similar orders.

The vessel measures 276.3 metres LOA, 46 metres in breadth and 24.3 metres in depth, with a cruising speed of 14.5 knots. It is equipped with a controllable pitch propeller system and a total of 5 bow and stern thrusters so as to meet the dynamic positioning (DP-2) requirements in different sea conditions. The vessel is Maltese flagged and is classed by DNV GL. It will be handed over to its char-



terer and deployed in Brazil.

In January 2013, COSCO (Zhoushan) stood out among many competitive bidders and secured the new building contract from KNOT with the option for a second newbuild, which was declared effective by the owner in the beginning of 2015.

A joint venture between Knutsen OAS Shipping and Nippon Yusen Kaisha (NYK), KNOT is one of the leading shuttle tanker operators in the world, with 28 shuttle tankers in operation. Prior to the 152,000-dwt shuttle tankers, Knutsen had also ordered two 59,000-dwt and two 105,000-dwt shuttle tankers at COSCO (Nantong) Shipyard.

## COSCO Zhoushan wins conversion octet from Rickmers

### Wu Zhirong

COSCO (Zhoushan) Shipyard

COSCO (Zhoushan) Shipyard has recently secured the contracts for the conversions of a total of eight 13,000-teu container vessels from Singapore-based Rickmers Shipmanagement.

Since 2013, COSCO (Zhoushan) Shipyard has successfully completed a great many bulbous bow con-

versions for the French owner, CMA CGM, and the Taiwanese owner, Wan Hai Lines, on container vessels of various types and tonnages (the 4,250-teu, 5,770-teu, 8,200-teu, 8,500-teu, 9,400-teu, 11,000-teu and 11,400-teu series).

The recently secured conversion projects from Rickmers involve not only bulbous bow modification, but also other major

items such as lashing bridge upgrade and reefer ventilation modification. The vessels are scheduled to be redelivered one after another up until the end of 2015. This challenge provides us with a great opportunity to show our real strength - and we are ready for it.

**Related news:** Bulbous bow renewal on "Atlantic Hero" from Sun Enterprises- [page 2](#)

### SOCIAL RESPONSIBILITY

## CSG contributes 60 computers to primary schools

The COSCO Shipyard Group has recently contributed 60 computers to primary schools in Wulan Heshuo Town, Liaoning Province. The computers were delivered to the schools on April 10 and were received with great appreciation and enthusiasm from local teachers and pupils.

The 4 primary schools in Wulan Heshuo Town had only 4 computers, which were solely for administrative use. There were no computer rooms and the pupils had no access to the Internet at all. The local government is eager to improve the teaching and learning conditions for primary education, and the application of information technology would be a huge step forward.

Hearing this, we decided to take immediate action. Soon, 60 personal computers, upgraded and carefully packaged, were sent to Wulan Heshuo Central Primary School for distribution. The local

authority said these PCs would be used for teaching as well as to set up computer rooms where the pupils could have better access to the outside world through the Internet.



## Ma Zehua: COSCO set for new normal



Andy Pierce, TradeWinds News,  
21 April 2015

Chinese giant COSCO is bracing for a continued low rate environment in the bulker and boxship markets describing the present economic climate as complicated.

Chairman Ma Zehua explains the company believes shipping markets have established a new normal with low demand growth and oversupply which is difficult to change in the short term.

Writing in the owner's annu-

al report, Ma said: "It is expected that the shipping market will present a fluctuating trend at low levels which will last for a period of time."

He says the gap between supply and demand in container shipping remains severe thanks in part to a rising number of vessels over 12,000-teu.

For dry bulk he notes Clarksons is expecting demand to grow by 3.7% this year, while supply will rise by 4.5%.

"The overall market will still be

hovering at low levels and a full recovery still takes some time," he said.

Ma added: "Facing the 'new normal state' in the global economy and the shipping market, China COSCO will focus more on the synergies among companies within internal business segments and strive to enhance the four strategic aspects of profitability, anti-cyclical effect, globalization and increase in scale."

In boxships, COSCO will focus

on efficiency and global development targets with comprehensive cost controls and the fleet structure changed to master large size vessels and energy conservation, the chairman said.

In dry bulk, COSCO will look to centre on what Ma calls anti-cyclical capabilities, with control on new capacity and an accelerated restructuring of cargo sources and customers and a targeting of COAs.

## Maersk Vice President Charl Bester visits COSCO Shipyard

On March 25, a delegation from A.P. Moller-Maersk, led by Vice President, Mr. Charl Bester, paid a visit to the COSCO Shipyard Group and its subsidiary shipyard in Dalian.

At COSCO (Dalian) Shipyard, accompanied by the yard's General Manager Gao Yongqiang, the delegation visited our piers, berths, docks and workshops. The yard's project team reported to the delegation on the progress made on the newbuilding project of four

subsea supply vessels (SSVs), secured from Maersk Supply Service, a subsidiary of the Maersk Group, in 2014.

At the Group Headquarters, the delegation was introduced to our corporate exhibition centre. They held discussions with our President, Liang Yanfeng, and our technical staff regarding information sharing, subsequent newbuilding projects, optimised ship repair services and other aspects of our strategic cooperation.



## Major progress on living quarters heightening for Maersk



Yang Guochen

COSCO (Zhoushan) Shipyard

"Maersk Leticia" and "Maersk Laguna" belong to A.P. Moller-Maersk, the No. 1 container shipping company in the world. At the end of 2014, we won the contract for the conversion of this pair of vessels against fierce competition. The work scope included the heightening of the living quarters by adding a 9-metre-high three-part block from G deck up; the rearrangement and upgrade of the mooring fitting seating according to relevant regulations; as well as the upgrade of hatch cover structures.

On March 20, "Maersk Leticia"

arrived at our jetty. As soon as she arrived, our team boarded the vessel and immediately started work, marking cutting lines, pre-checking hatch covers, arranging upholstery protection, pre-testing existing systems, releasing cable connections and other equipment in the living quarters, as well as moving the equipment near hot work areas ashore.

On March 25, the new accommodation block was transferred to the ship's side by a barge. On March 26, the existing wheelhouse was taken off and transferred ashore, and the newly fabricated block was installed on board. On March 27, the wheelhouse was

re-installed on board. As such, in just 2 days, we witnessed the re-birth of the living quarters. On April 21, we set out to repeat the whole process on "Maersk Laguna".

Currently on "Maersk Leticia" the hull surfaces have been properly cleaned and rendered; the propeller blades have been replaced using horizontal assembling technology without dismantling of the intermediate shaft; the whole electronic control system is being renewed and new equipment is being installed. Progress on "Maersk Laguna" follows close behind. Both conversions are currently progressing smoothly and we'll see them through to the end.

## Bulbous bow renewal on "Atlantic Hero" for Sun Enterprises

Ling Guojian

COSCO (Zhoushan) Shipyard

"Atlantic Hero" is a bulk carrier belonging to the Greek owner, Sun Enterprises. She arrived at COSCO (Zhoushan) Shipyard with a damaged bulbous bow following a collision. Based on the original drawing supplied by the owner, our technical department quickly set about the production design of a new bulbous bow block. In merely three working days, the modelling and drawing of the new block was completed and

approved by the owner, and our steel workshop started pre-fabrication right away. We worked without delay in the hope we could get the new block ready before the vessel was docked.

The vessel arrived at our yard on 20 March 2015 and was scheduled to be in dock from 25th to 30th, but at that stage the painting work on the new block wasn't finished. After much thought and discussion, both the owner and the yard agreed that the installation of the new bulbous bow would be car-

ried out with the vessel still afloat.

We adjusted and monitored the ballast system so that the forward draft would remain at -1.94 metres and the weld seam of the new block stayed 600 millimetres above water level, making it easy for fixing and inspection. All parties worked with full devotion and, after the repair was completed, the vessel looked brand new.

The attending superintendent was very satisfied with the repair and said he was especially impressed by our creativity.



## COSCO Zhoushan quickens work on 64,000-dwt bulkers

On April 20, a 64,000-dwt bulk carrier returned to COSCO (Zhoushan) Shipyard after successful sea trials. It is being built by the yard for the British owner, Lomar. Earlier this month, on April 8, a vessel of the same type and being built for the same owner, was successfully launched. The following day, the keel laying for a third 64,000-dwt bulk carrier was held.

COSCO (Zhoushan) has a total

of eight 64,000-dwt bulk carriers on order, secured from British and Hong Kong buyers.

2015 is a year of many deliveries for COSCO shipyards. Going into the second quarter, we will continue to provide sufficient technological and workforce support and enhance our supervision of project management, supplier management and construction management processes to ensure on-time deliveries.

# Dan Moylan from Matson: I keep coming back to COSCO

**Chao Bin**

COSCO (Nantong) Shipyard

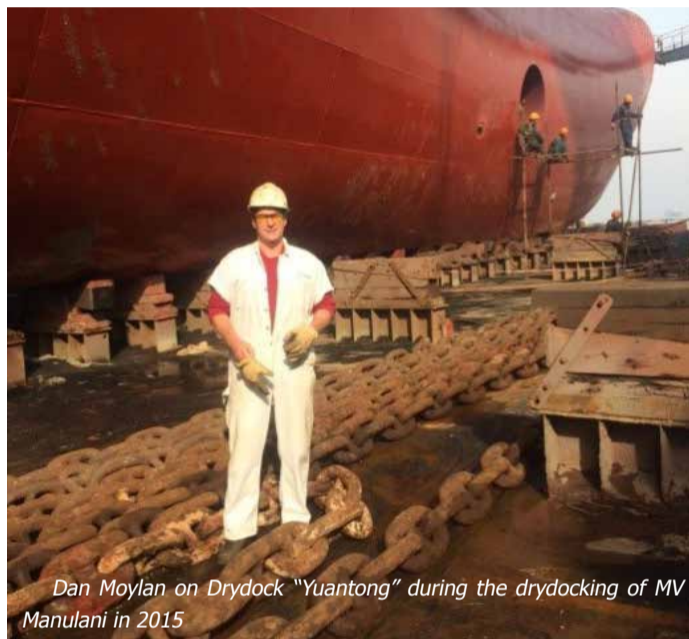
Mr. Dan Moylan is the Senior Port Engineer for Drydocks and Special Projects with Matson Navigation. He started out as a Port Engineer in 1991, and has since worked for many major shipping companies, including American President Lines (APL), Sea Land Services, U.S. Ship Management (USSM) and, for the last 11 years, Matson Navigation. Dan is currently working with COSCO Shipyard on the ABS SSH 2 (Special Periodical Survey – Hull) of MV Manulani.

In his remarkable career Dan has worked in shipyards all over the world: in South Korea, South Africa, Spain, Singapore, China, Malaysia and USA; but he feels special affection for COSCO Shipyards.

"Every time I come back to COSCO Shipyard I know that the project will be successful. My first project here at COSCO (Nantong) Shipyard (back then it was Nantong Ocean Ship Engineering Co., "NOSEC") was in 2001 with U.S. Ship Management. Since then I have been here for an additional 12 projects over a 14-year period. I have fond memories of the way COSCO Shipyard used to look back in the days when there were bicycles everywhere and plenty of trees and small roads to



*Dan and I on Drydock "Nantong" in 2001. Back then I was the Docking Supervisor. Now I am the yard's Commercial Project Manager and Dan and I have reunited for the "MV Manulani" project.*



*Dan Moylan on Drydock "Yuantong" during the drydocking of MV Manulani in 2015*

ride through. Between the quay and the first set of buildings there was nothing but water – no cement, cranes or new builds. Since then a lot has changed. COSCO has come a long way since the staging on the ship was all bamboo in 2001," recalls Dan.

What Dan really looks forward to when he comes back every year is meeting the friends he has made in COSCO over the years. "I consider many of the people that have worked together with me all these years to be my friends. We have struggled through very difficult projects and times but always with mutual respect and a goal to finish the projects and continuously raise the bar for better quality, efficiency and safety. It is always nice to see the familiar faces as they move up the ladder to positions of increased responsibility at COSCO."

Some of the major projects that Dan has looked after here at COSCO for Matson over the last 11 years are the container-stowage-to-Ro/Ro-garage conversion of No. 5, 6 & 7 cargo holds on MV Mokihana; installation of a new MAN L27/38 Ships Service Diesel Generator in place of the existing Enterprise engine; lifetime extension for their C9 Class vessels; automation conversion, cold ironing

installation, ECA 200 installation and engine control system replacement. "I am always impressed with the level of technical expertise that the COSCO Supervisors and workers demonstrate when given a difficult project. They always complete the work with a high degree of quality and we very rarely have any warranty issues after the ships sail from COSCO."

During the daily VSCC (Vessel Safety Coordination Committee) meetings, in front of 30 attendees, Dan is a speaker and a presenter. Safety, security, service, questions, cross works, schedule, sequence, call out, manpower, logistics, technology, tracking – everything is settled satisfactorily. And he knows how every piece of work is progressing and is familiar with every area on board and in the workshops, every spare parts storage space and testing area. When the yard's supervisors report the status and progress of specific items, he always says, "go ahead with the next step, I have checked. See this in my camera."

When I asked about cooperation prospects between Matson and COSCO, Dan smiled, "I am looking forward to coming back again for more projects in COSCO Nantong in the future, of course."

## BWTS installed on "Kurenai" from Magsaysay MOL Marine

**Zhang Yuting**

COSCO (Zhoushan) shipyard

In April, two vessels from Japan-based Magsaysay - Mitsui OSK Marine (MAGMOL) were being repaired in COSCO (Zhoushan) Shipyard. One of them, a bulk carrier named "Kurenai", was here for a ballast water treatment system (BWTS) installation. The vessel measures 228.05 metres in length, 36.5 metres in breadth and 19.89 metres in depth. The newly installed BWTS was provided by JFE Engineering Corporation.

Ballast water treatment system installation has been an emerging market in the ship repair market in recent years. Approaching the

effective date of the new regulation for ballast water emissions, shipowners have two options: dock in advance to avoid the rule, or install the system and meet the rule in future. MAGMOL chose the latter for "Kurenai".

In order to ensure the system would be successfully installed, we summoned a special project meeting on board and set up a specialised team for this project, comprising experts in equipment management, piping installation, debugging and cable laying. At present, all the work is progressing smoothly, and the vessel is expected to be redelivered on time.



## Eco-friendly modifications on Golden Union bulkers

**Xu Hailong**

COSCO (Guangdong) Shipyard

The bulk carrier "Flag Tom", which belongs to the Greek owner Golden Union, is the second vessel from the owner to come to COSCO (Guangdong) Shipyard for repair in the past three months (the first was MV "Flag Alexandros"). The work scope on both vessels is similar: renewal of 22 sets of panama mooring bollards, installation of a new propeller duct and modification of the air-seal-type stern tube sealing system.

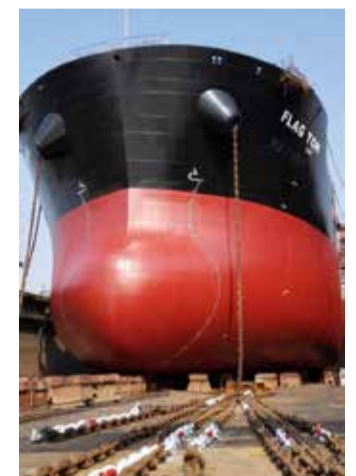
The above-mentioned three major projects epitomize the current industry trends: mooring bollard equipment is modified to meet the requirements of special channels or canals so that voyages can be shortened and new propeller ducts are installed to maximise fuel efficiency without changing the cruising speed. Together they will bring significant economic benefits to the owner. This is also the first time we have installed a propeller duct of this type, which calls for highly sophisticated assembling techniques. We have gained precious experience from this project, which could be applied to subsequent projects. The control unit of the stern tube seal piping system is modified to

prevent stern tube seal oil leaks, minimising pollution to the marine environment.

Golden Union is a key customer. As soon as we knew we had been awarded the project, our project team started planning and implementing the construction process.



We worked closely with the owners and maintained effective communication, which contributed to the great efficiency and high quality with which the project was completed. After the vessel's departure, the owners wrote us a thank-you note to express their satisfaction.





## Back to Zhoushan: Tenth anniversary with Reederei Nord

Interview with owner's Senior Superintendent, Mr. Grzegorz Kowalczyk

### Guo Zhaoxian

COSCO (Zhoushan) Shipyard

The cooperation between Reederei Nord and COSCO Shipyards started in 2005 with the docking of the panamax bulk carrier "Nordmoritz" over the Chinese New Year in COSCO

(Zhoushan) Shipyard. Now, 10 years later, and after a number of dockings in COSCO shipyards in Dalian, Nantong, Guangdong and Lianyungang, Reederei Nord is returning with "Brahms" and "Nordweser" to COSCO (Zhoushan).

On this memorable occasion, we had

the pleasure of inviting Mr. Grzegorz Kowalczyk, Senior Superintendent from Reederei Nord, for an interview where we reminisced about our past as friends and partners, and looked into the future, which we will make the most of together.

**GUO:** Mr. Kowalczyk, how are you? Could you please tell us how many times you have come to this island [Liheng Island where COSCO (Zhoushan) Shipyard is located]? Do you still remember how you felt the first time you arrived here? Do you find things different since then?

**MR. KOWALCZYK:** How are you? The first time I came to COSCO (Zhoushan) Shipyard it was in April 2005. At that time, this place seemed desolate and empty because the yard was just founded and still under construction. There were not many regular employees and contractors, and the few jetties you had back then were barely enough. At present, I have the chance to come here again for the "Brahms" and "Nordweser" dry-docking projects. Ten years have passed since I first came here. I cannot believe what I see now – the yard has changed greatly over the last 10 years. You now have three main businesses: new building, offshore, and repair & conversion. You also have 8 jetties, 2 slip ways and 3 dry docks (among which is 1 VLCC dock). It has become the best shipyard I have ever seen. I was surprised at the change, but at the same time it was also anticipated: 10 years ago, when I first came here, I noticed that the COSCO people were working so hard, and I just knew that someday you were going to make it. I am so happy to see the huge changes after 10 years – you did it!

**GUO:** Mr. Kowalczyk, Reederei Nord is a reputable shipping company as well as our valued and long-term friend. Your good company has entrusted us with many shiprepair projects. Could you tell us what you see in COSCO Shipyards that convinces you to maintain this partnership?

**MR. KOWALCZYK:** Why we always choose COSCO shipyards? You are not the first to ask us this question. I think the reason is that COSCO shows strong competency in vessel repair and conversion, and meanwhile provides high quality services. I can honestly say I feel secure whenever a project goes to COSCO.

**GUO:** How about the repair progress of MV "Brahms" and "Nordweser"? Are you happy with our service this time? During the repairing period, is there anything that leaves you impressed?

**MR. KOWALCZYK:** I am very satisfied with the progress on these two vessels. "Brahms" is expected to depart ahead of schedule as long as the weather permits it and, if not, she will still leave on time with good quality. "Nordweser" has just arrived at the yard and the work scope is yet to be confirmed, but I have no doubt that she also will depart on time with good service and quality, because I have faith in COSCO people – they are like my family. It is pleasant working with the production team in charge my vessel, especially the machinery supervisor who works so hard and attentively even if machinery work doesn't take up a big part in these two projects. I can see COSCO'S future in these young people – such enthusiasm and power!

**GUO:** How many vessels do you plan to have repaired in our shipyards this year? What are your expectations of our execution of these projects?

**MR. KOWALCZYK:** We plan to repair another 4 bulk carriers and 3 container ships this year in COSCO shipyards, regardless of whether it is in Zhoushan, Dalian,

Shanghai, Guangdong or Nantong, since they all belong to the COSCO family. You know our choice of shipyard really depends on its position in relation to our discharge port, and we always end up at one of the COSCO shipyards. We have just celebrated a remarkable 10-year partnership, and the passion and service I constantly see in you makes me cherish our good working relations even more.

For your good future, I only have one suggestion, which is to please always keep your high-quality standards and keep improving.

**GUO:** As you know, the shipping market is quite unpredictable these days. Maybe you could share with us your opinion on the market outlook?

**MR. KOWALCZYK:** Even now the shipping market is bad, but our company business is very good. At present, we have 14 container ships and 6 bulk carriers under construction in China, scheduled for delivery by the end of 2017.

**GUO:** Thank you very much for doing the interview with us! We hope you enjoy your time in COSCO (Zhoushan) Shipyard.

**MR. KOWALCZYK:** Thanks! It has been a pleasure talking with you. I truly hope that the friendship between Reederei Nord and COSCO Shipyards will last forever.



Seasons and the sea

IV



Art: It's raining, it's pouring

By Wayne Potrafka

Mixed media w/acrylic

fineartamerica.com

Poem: Rainy Lane

Originally written in Chinese by Dai Wangshu

English translation by the PandaNews

### Rainy Lane

Holding an oil-paper umbrella, alone  
And lost in the endless, endless  
And lonely rainy road  
I wish to encounter  
A girl who reminds me of a lilac  
Soaked in grief and failed hope

She should wear  
The colour of a lilac  
The fragrance of a lilac  
The sadness of a lilac  
Grieving in the rain  
Grieving and lost

She's lost in this lonely rainy road  
Holding an oil-paper umbrella  
Just like me  
Just like me, she  
Walks on, wordlessly  
Out of reach, and all alone

Wordlessly, she approaches  
Approaches, and casts me  
A glance like a sigh  
She drifts away  
Drifts away like a dream  
A lost dream with saddening grace

She passes my way  
Like a single lilac  
Passing through my dream  
She walks past, away  
To the collapsed fence  
Down the end of the rainy lane

The lament of the rain  
Washes off her colour  
Disperses her fragrance  
Dissipates even her  
Sigh-like glance  
Lilac-like pathos

Holding an oil-paper umbrella, alone  
And lost in the endless, endless  
And lonely rainy road  
I wish she would pass my way -  
A girl who reminds me of a lilac  
Soaked in grief and failed hope