

GERMAN SHIPBUILDING

Lindenau shaken but still afloat

It may still be under the eyes of an insolvency eagle but the outlook is looking better for a slimmed-down Kiel yard.

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Two years ago, Lindenau Shipyard filed for insolvency, the first of half-a-dozen German yard casualties when the global building-bubble burst.

Things had been tough for some time and the company, well known for its focus on environmentally safe tankers, was pushed over the edge when it was unable to secure a bank refund guarantee for a newbuilding.

Within a year, shipyard boss Dirk Lindenau had been forced out and now works outside the industry.

But entering the equivalent of Chapter 11 bankruptcy protection has allowed Lindenau, located close to Kiel, to stay afloat, albeit still in search of a buyer and still overseen by insolvency administrator Jan H Wilhelm.

A survivor from those days is managing director Dieter Kuhne, who says the yard is breaking even — no better or worse, it seems, than various other German yards shaken by the downturn.

Instead of the previous 400 workers, there are now just over 100 permanent employees on the payroll. Sub-contractors are brought in for production and design when needed.

"I believe we will survive," said Kuhne, who argues that owners would not still be patronising Lindenau if they did not have faith in it.

In April, the company secured its first newbuilding order since the September insolvency filing.

But the small products tankers booked by Cuxhaven-based Glus-

ing Transport hardly compares with some of the larger ships previously produced at Lindenau, which can deliver vessels of up to 50,000 dwt.

Keel-laying of the first Glusing vessel on 10 November will be followed by its launch on 15 February 2011 and delivery on 21 April 2011.

The value of the contract is hardly enough to guarantee Lindenau's future but to substitute for a wafer-thin newbuilding orderbook it has strengthened its repair team and pulled in some contracts in the process.

For example, Kiel-based Leibniz Institute of Marine Sciences (IFM-Geomar)'s research vessels *Poseidon* and *Alkor* are currently being overhauled at Lindenau.

The *Poseidon* arrived on 28 September and was scheduled to leave at the end of this week. The *Alkor* has been at Lindenau since 18 October and will be there until January 2011.

Kuhne concedes that Lindenau can no longer compete with the Far East to build 40,000-dwt to 50,000-dwt vessels and consequently the strategy going forward is for smaller, specialist tonnage, such as coastal tankers and bunker vessels.

The yard, established by Dirk Lindenau's grandfather in 1918, has received various inquiries from mainly family-owned companies for such vessels, says Kuhne. Building in the Far East brings with it challenges for such owners, not least the cost of newbuilding supervision, and provides opportunities for the likes of Lindenau.

In September at SMM, the Ger-

man shipbuilding and ship-equipment fair, Kuhne talked confidently about securing within months fresh contracts and this week he says discussions are ongoing for different kinds of newbuildings, including tankers, in competition with other yards.

Historically, one of Lindenau's best customers has been Seychelles Petroleum for which several ships of up to 45,800 dwt have been delivered.

The last, delivered exactly one year ago, was considerably smaller, just 1,785 dwt and called *Seychelles Paradise*, but it exemplified Lindenau's spin on safety.

It was designed to supply the Seychelles islands with oil and liquefied petroleum gas (LPG), as well as bunker fuel to visiting ships and to serve as a crew-training vessel for the national fleet.

The eco-friendly, or "Seypec Green Tanker" as it is known, has a redundant propulsion plant including twin main engines, two controllable pitch propellers and two rudders.

Friedrichsort-based Lindenau earlier delivered to another long-standing customer, German Tanker Shipping, the 43,000-dwt *Sea Pike*. It was the largest double-hull tanker built in Germany and the first constructed according to the new common structural rules.

Delivery was delayed by a navigational problem after the owner requested the vessel's length be increased. It was resolved but added to other setbacks Lindenau had suffered around the same time, the

most high profile being German wind-turbine producer Enercon's decision to remove its 9,700-dwt diesel-electric ro-ro prototype *E-Ship 1* for completion at Cassens in Emden.

It happened in the aftermath of Lindenau's insolvency filing because, says Kuhne, of uncertainty over when the ship could be completed.

The eco-friendly prototype, which features Fletner wind-propulsion rotors, underwent sea trials under the supervision of classification society Germanischer Lloyd, with its first voyage being

from Emden to Dublin and back.

Kuhne hopes the troubles of recent years are behind Lindenau, that an investor will be found and the yard will get the opportunity to bid on future Enercon orders. There has been talk of Enercon pondering whether to build two or three sisterships using the same design but the company plays its cards close to its chest.

As for Dirk Lindenau, whose family name still bestrides the yard, he is said to be working on a project in the Seychelles aimed at reducing energy consumption. Old habits, it seems, die hard.

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'SEYPEC GREEN TANKER': The "Seychelles Paradise" was launched in October 2009.

Photo: Lindenau Shipyard

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