

INVESTMENT PROJECT #146

Installation of a shipyard for the building, repairing, assembling and welding of Panamax-size ships

Sector

MANUFACTURE

Subsector

NAVAL

Brief description of the business opportunity

At present there is no shipyard with the capacity to repair Panamax-size vessels in Argentina. For this reasons, boats are tugged to Brazil for repair works. However, the large number of purchase orders placed with Brazilian shipyards by Brazilian companies makes them unavailable to repair Argentine ships. This venture will create a very good opportunity for the Argentine domestic market, as all grain and/or mineral cargoes for export are moved on this type of vessels, with around 150 of them stopping at Argentine ports.

Brief description of the product/service

The purpose of this venture is the building, repairing, assembling and welding of boats that navigate the Paraná-Paraguay waterway and the Southern Atlantic Ocean. The shipyard will be designed for ships of up to 305 m/1,000 ft in length and a beam of 33.5 m/110 ft. The shipyard will employ a crew of 200 workers split between two shifts. Estimates suggest that around 30 barges and 1 tugboat will be built every year and a half. Annual revenue is expected to be US\$ 26 million.

Brief description of the target market(s) of the product/service

Boats navigating along the Parana-Paraguay waterway and through the Río de la Plata (Argentina-Uruguay), as well as passenger ships, which make over 150 stops along the Río de la Plata every year.

Brief description of the advantages of the company or cooperative to carry out the investment project

The company has 25 years' experience in the shipbuilding industry. It is a member of the Argentine Federation of Naval Industry (FINA, for its acronym in Spanish) and the Argentine Naval Industry Chamber (CINA for its acronym in Spanish). It is also a member of the Industrial Union for the Avellaneda District (UIA, for its acronym in Spanish) and the Hellenic-Argentine Chamber of Industry and Commerce. Furthermore, the company has been authorized by the Argentine Naval Prefecture, and has signed agreements for personnel training with the Ministry of Employment and the Union of Naval Workers.

Brief description of the context of the investment opportunity

Currently an important volume of cargo is handled for the export market: soy from Paraguay and minerals from Bolivia (by Jindal Group, the engineering company) and from Brazil (by Vale Do Rio Doce, the mining company). Additionally, it is expected that high volumes of mineral cargoes will be handled until 2020.

More information about the investment project

City/Area: Campana/Zarate, Buenos Aires, Argentina

Total amount of the Investment Project: US\$ 30,000,000.00

Percentage of the investment contributed by the Company or cooperative submitting the project:

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0%

Minimum amount required from investor: US\$ 30,000,000.00

Payback period: 5-10 years

Purpose of the Investment: Development of new products/services, Breaking into new foreign markets

Destination of the Investment: Machinery and Equipment, Vehicles and Transport Equipment, Land and Buildings, Information and Communications technology, R&D and innovation activities, Intangible Assets (Patents, Licenses), Sales and Marketing

Investment Project's stage of development: Business plan

Brief description of the main stages of the project:

Year	Amount	Destination
1	3,000,000.00	Purchase of property, land studies and engineering services
2	12,000,000.00	Earth moving, dockyard construction
3	10,000,000.00	Civil works and infrastructure
4	5,000,000.00	Tools
Difference		
Total	30,000,000.00	

Type of public incentives available for the Investment Project: Tax breaks, Subsidised credits

Type of investor required: Irrelevant

Preferred investment mode: Irrelevant

Information about the Company/Cooperative submitting the Investment Project

Length of time in business: > 20 years

Annual sales of the Company/Cooperative (in US\$ millions): 5-10

Percentage of annual sales derived from exports: 10% - 25%

Number of employees: < 50

If you're interested in learning more about this project, send an email to bapip@mrecic.gov.ar