

entrusting three of its ships in the region to SADRA. It must be pointed out that an oil-carrier was constructed in SADRA's Caspian Sea complex and set to sea. Furthermore, Iran's first auto-lifting platform has been constructed in recent years, by the order of NIOC, in SADRA's Neka complex.

Q: How would you define a successful project?

A: I would call a project successful if it had the following features:

1. In bidding phase its technical characteristics and documents are sufficient, clear and transparent.

2. Experience shows that sometimes employers and bidders take too long to conduct and award the project and consequently pressurize contractors in strict time constraints. In another words, if employers speed up their decision-making and bidding process they will have a more successful project.

3. Capable engineering that is sufficiently funded.

4. Timely purchase and quick transportation.

5. Prompt payments.

6. Cooperation between employer and contractor and respecting the contractual rights of one another.

7. Timely construction completion, transportation and launch.

8. Seeking the approval of and obeying the employers.

Q: What is the status of engineering and construction companies in Iran and what should it be?

A: In my opinion, consultant engineering companies lack experience when it comes to detailed plans of sea structures and process systems and the like. This prevents them from joining experienced foreign companies as partners or as a consortium or any other form of contract. It would be better if they could benefit from the experiences of versed companies. But when it comes to construction we can announce that

Iran has no shortcomings in oil and gas platforms, drilling jetties, etc. Iran has reached self-sufficiency in platform construction and SADRA, a pioneer in this field, accepts the responsibility of constructing any platform in any tonnage. I would like to take this opportunity to mention that SADRA -as one of the biggest and most important constructors of platforms and sea structures- announces its readiness to fully cooperate with any willing company and that it will not withhold any assistance and aid in this regard.

Q: How do you see the engineering capability of Iran? Do you think that the country's engineering might be capable of meeting the needs of the magnitude of projects being executed simultaneously?

A: As I said before, it appears that with a bit of help from experienced foreign consultant engineers the country can achieve self-sufficiency in this regard. Furthermore, Iranian consultant engineers must also increase their effort and activity and must constantly update their resources and facilities to ensure their success in this regard.

Q: In your opinion, which sections of the country's industry require transfer of technology and technical know-how and in which sections are we sufficiently capable?

A: I am in no position to answer this question regarding to the whole of the country's industry, but in SADRA's oil and gas sector we require no transfer of technology, as we believe that we are faced with no complexities. Despite this, SADRA constantly encourages its specialists, engineers and workforce to study and stay up-to-date on the world's latest scientific findings. SADRA's management has constantly assisted its personnel in this regard and believes that fast communication with the world and the capabilities and potential of Iranians makes attaining the latest

scientific findings completely possible.

Q: It has been heard that Statoil will be assuming a managerial role in the development of phases 6, 7 & 8 of South Pars; is there any hope that Iran will achieve self-sufficiency in this regard in the near future?

A: To the best of my knowledge, Statoil is not only assuming a managerial role, but is also financing phases 6, 7 & 8 of the South Pars project. It is only natural that when a company is financing a project it will also assume an important role in it. In any case, the projects in the oil and gas sector that are undertaken by SADRA will be managed and executed entirely by Iranian workers.

Q: To what extent has your company been effective as a job creator?

A: One of the things we are very proud of at SADRA is the effective role we have had as a job-creator in the underprivileged province of Bushehr. SADRA's industrial island in Bushehr directly employs some 2,000 people in its platform and barge construction activities. One must not forget that there are many more companies working to provide goods and services to SADRA and their numbers are not included in the abovementioned figure. It must be pointed out that when it comes to shipbuilding if the concerned employers order ships from SADRA, it can employ and engage a large number of people, as building ships usually require the services of many workers. The shipbuilding industry is one that has a high rate of job-creating and I hope that the employers consider this fact when they sign contracts with SADRA to construct large ships, heavy oil carriers and liquefied natural gas (LNG) carriers in future.

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in the Persian Gulf region depends on circumstances outside of the control of Iranian contractors. Despite this, SADRA will continue to pursue projects, not only from countries in the Persian Gulf region, but also African and Asian countries, as well as newly independent states such as Turkmenistan, Tajikistan, Kazakhstan and Kyrgyzstan and any other willing country.

It is worth mentioning that two companies have currently contracted projects out to SADRA, both of which are foreigners. There is the Italian company, Agip, utilizing SADRA in phases 4 & 5 of South Pars and the Norwegian Statoil contracting SADRA for South Pars phases 6, 7 & 8. This is a testimony to the fact that SADRA has experience in receiving contracts from foreign companies and is capable of working with international companies.

Q: If building sea platforms is divided into the three categories of jacket construction, topside construction and the installation of these two parts onto each other, in which category do you face the most difficulties?

A: I can say that SADRA faces no difficulties in any aspect of sea platform construction, whether relating to jackets, topsides or installation of jackets and topsides. Constructing the abovementioned (approximately) 4,000 ton SPD1 jacket and installing a 7,000 ton SPD1 production platform is, in itself, a testimony of this fact.

Q: What is your role in phases 6, 7 & 8 and the other phase of the South Pars Project?

A: In phase 1, SADRA's activities were in the form of cooperation with the Korea company, Samsung. SADRA had a 53% share of this cooperation, compared to Samsung's 47%. Phase 1 currently has a physical completion of 93% and will soon be handed over to

the employers. Phases 4 & 5 of South Pars currently have a physical completion of 64% and SADRA directly won this project -which includes engineering, purchase, construction and launch- from the Italian Agip company, through an international auction. In phases 6, 7 & 8 of South Pars SADRA participated in the biddings as an independent company and initially received the project from the Petro Pars Company and ultimately signed a contract with Norway's Statoil. Currently, the operation phase of the project -which is being conducted in the form of EPC- has commenced and has, to date, witnessed a physical progress of 40% in the field of engineering. It is worth mentioning that these phases (meaning phases 6, 7 & 8) also include sub-sea pipelines that constitute part of SADRA's job description.

Q: What can you tell us about phases 2 & 3 of South Pars?

A: The bidding for South Pars phases 2 & 3 was conducted some 5 or 6 years ago, in which SADRA and some other French company jointly participated. Unfortunately, for reasons which we cannot disclose, the executive action for the sea phase of South Pars phases 2 & 3 was entrusted to a foreign company in the Persian Gulf region. In the way of clarification we should mention that the project's finance is done by the French company Total and we are proud to say that phases 2 & 3 of the South Pars project were recently opened by the Iranian President.

Q: Where do you get the financial support for the projects you undertake?

A: The projects we have had until now, and are mentioned above, have usually been financed by the employers themselves and due to this fact the projects have not had any financial problems.

Q: When it comes to tonnage and financial burden, how many contracts are you working on at the moment and do you think you will be successful in meeting your obligations on time?

A: In the oil and gas sector, SADRA feels it is necessary to provide some explanation. SADRA's share of South Pars phase 1 was about \$105 million; it contracted approximately \$100 million in phases 4 & 5 and near \$400 million in phases 6, 7 & 8. This brings its total to \$600 million worth of contracts just in the oil and gas sector, as well as close to a tonnage of 40,000 tons. In the current circumstances there is nothing stopping SADRA from fulfilling its obligations on the abovementioned projects; and the timely installation of the 7,000 ton platform, despite the five month delay of our employers for the installation of the platform jacket, is in itself a testimony of this fact.

Q: What is the biggest problem you are faced with?

A: As a general rule, no activity is problem-free and our talent and specialty is used effectively in solving our problems. I believe that instead of complaining about problems we must strive to solve them and I cannot think of any specific problem at the moment to mention in this interview.

Q: Previously you had created facilities for assembling drilling jetties in the Caspian Sea. What use is being made of these facilities at this time? Do you have any new plans for the Caspian Sea? Will the assembly and construction of new jetties that are appropriate for the deep waters of the Caspian Sea be included in these new plans?

A: The Caspian Sea complex, as you yourself have mentioned, has some facilities that are currently constructing semi-floating platforms and just recently NIOC has signed a contract for

SADRA's Breaking Taboo on Entrusting Projects to Iranian Contractors

With the victory of Iran's Islamic revolution and the commencement of the imposed war (Iran - Iraq War 1980 - 1988), despite the backing and support of the government, the need for development was felt throughout the country. It appeared that an appropriate field for development activity was not only oil and shipbuilding, but also the marine industry. This is why Iran's Marine Industrial Company, SADRA for short, started its work after Iran's Islamic revolution. What follows is an interview with Engineer Mehdi Tehrani, the manager of Iran's Marine Industrial Company's (SADRA) Oil and Gas Department.

Q: Can you provide us with an explanation on SADRA's history and its field of activity?

A: SADRA was actually one of the American-owned companies that had commenced operation in 1969 and was brought under the ownership of Iran's Expansion and Renovation Organization after the Islamic revolution of 1979.

SADRA first started its operation with ship repair, and spare parts for vessels. SADRA's first project in the oil and gas industries dates back to the Khark oil terminal's reconstruction and renovation. SADRA was subcontractor of the French ETPM and completed the construction and renovation of the Khark and Azarpad oil terminal in its platform-building factory in Bushehr. Consequently, SADRA undertook the construction of the base of the F.9.A platform with its pipelines between Z and F, and Forouzan platform on the border of Iran and Saudi Arabia, which is the first platform to be installed in the Persian Gulf by an Iranian company. SADRA, as the first Iranian company to install a platform jacket and its related

pipelines, boosted the confidence of other Iranian contractors, as well as convincing the Ministry of Oil and its subsidiary companies that Iranian contractors can be entrusted with this type -and even more sophisticated types- of on and off-shore works. In another words, SADRA's accomplishment was groundbreaking and has ensured many more contracts for Iranian contractors.

It should be pointed out that SADRA has three shipbuilding complexes, the SADRA industrial island and a platform-building workshop in Bushehr and owns a ship and platform building complex in Neka (situated in the Mazandaran province) as well as an office in Tehran that undertakes management, support and related activities. SADRA currently directly employs over 4,000 people.

Q: What countries or companies have made a name for themselves when it comes to platform and barge building technology?

A: When it comes to building technology, European countries and America have their unique styles and know-how. Recently, however, some Asian countries -such as Korea- have begun platform construction. We are confident to say that, when it comes to oil and gas platforms, Iran is amongst the technologically advanced states.

Q: Have you had a comparison between your abilities and that of similar companies in other places of the world?

A: It may have been better to hear the answer to this question from the managers of companies such as the National Iranian Oil Company (NIOC), the Pars Oil and Gas Company, the Falat Ghare Oil Company, Petro Pars

Oil Company and a couple of other Iranian companies that have directly utilized the services of SADRA. But in any case, when it comes to comparison, I believe that SADRA is undoubtedly as capable -and in some aspects even more capable- as its equivalent companies worldwide. For example, on 8 February 2003, SADRA managed to install the heaviest (7,000 tons) gas producing platform of the Persian Gulf. SADRA used the float-over method to install this platform in the Persian Gulf in less than seven hours, setting a new world record. The operation had started at 15:00 and was finished before 22:00. SADRA had constructed a barge for the transport and installation of the, abovementioned, 7,000 ton platform. The barge itself was 124 meters long and 30 meters wide, with an approximate weight of 5,000 tons and was capable of carrying platforms weighing up to 18,000 tons. The whole of the barge was completed by an Iranian workforce in the construction pool of SADRA's industrial island. All actions relating to the barge's engineering, parts purchase, construction, launch, etc. were handled by SADRA's personnel and SADRA's completed barge was named F.L.B. 124.

Q: Do you believe that SADRA can win projects from countries in the Persian Gulf region?

A: We see ourselves as completely geared up and ready to receive projects from countries in the Persian Gulf region, as we have no shortcomings as a contractor. We consider our capabilities certainly equal to and maybe even higher than companies active in the Persian Gulf region. Even though SADRA's abilities -in all fields of project management and delivery- meet international standards, winning projects