



INDUSTRY CAPABILITY REPORT



BOAT & SHIP BUILDING INDUSTRY IN SRI LANKA

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1. INTRODUCTION

Sri Lanka – the resplendent island in the center of the Indian Ocean has a long and a proud history of boat building. It has a great advantage to become the hub for boat manufacturing in the Asian region due to its strategic location, highly trainable workforce and the labour cost advantage.

Sri Lanka has one of the best natural harbors in the Asian region and its commercial port in Colombo is rated among the most economical and efficient which offers a complete service to shippers.

With the dawn of peace in Sri Lanka, expanding tourism industry is opening up a new frontier of leisure and pleasure crafts. Also, the increased interest of the local community in boating activities has created additional market opportunities. The country's leisure sector records growth where whale watching and other leisure activities contributed by the surge in the tourism industry have a positive impact on the boat building industry.

Further, considering the high marine diversity in the country and the influx of fairly high spending tourists, the country has a massive potential for marine (natural) tourism which too will create more market opportunities.

Sri Lanka organizes its own BOAT SHOW once in every two years with an objective of providing a forum for the boat building industry to display and promote their respective sectors to potential clients.

2. TYPES OF PLAYERS

Large Scale and SME exporters

3. KEY PRODUCTS AND SERVICES

- Ship building
Capable of design and building both aluminum and steel hull vessels.
- Ship repairing
Ship repairs for maximum capacity up to vessels with 125,000 dwt, capable of major repairs, retrofits and conversions- Knowhow, facilities, competencies exist for integrated work, with highly developed network of suppliers and service providers
- Pleasure Boats Sector
Luxury sailing and motor yachts, speed cruisers, sports vessels, kayaks, paddle boats
- Commercial boats sector
Passenger vessels, work boats, general purpose vessels, house boats, floating restaurants
- Naval & Coast Guard Vessels
fast attack crafts ,surveillance vessels, sea cadet training vessels, rescue crafts, patrol boats, coast guard vessels
- Fishing Boats Sector
Fishing vessels, fisheries research vessels,
- Sail Making – The best known sail maker of the world “ North Sails” has their factory operating in Sri Lanka.
- pontoons
- Boat building accessories (Fishing gears, propellers, Life Jackets & Safety equipment)

- Pre and post production services
Pre Production Services -
Boat design, lofting, plug making, mould making, supplying of engine, navigation and communication equipment, refrigeration systems, sail makers, fire and safety equipment
Post production services –
Boat storage and transport device, diving and fishing equipment, boat and engine maintenance and repairs

4. SEASONAL VARIATION IF ANY

There is no significant seasonal variation

5. GEOGRAPHICAL DISTRIBUTION ACROSS THE COUNTRY AND KNOWN CLUSTERS IF ANY

Production yards are located along side the coastal belt of the country.

6. SIZE IN TERMS OF PRODUCTION (VALUE/QUANTITY)

Due to diverse nature of the sector, it is hard to determine the size of production

7. KEY PLAYERS IN THE SECTOR

Name of the company	Web site
Colombo Dockyard Plc	www.cdl.lk
Neil Fernando And Co Pvt Ltd	www.neilmarine.com
North Sails Lanka (Pvt) Ltd.	www.northsails.com
Baff Polymech (Pvt) Ltd	www.bbafk.org
Jostein Viksund Design & Mod.Cen P.Lt	www.viksundasia.com
A J Fishing Industries Pvt Ltd	www.ajfishing.com
North West Marine Lanka Pvt Ltd	www.northwestmarineboat.com
A J Fishing Industries Pvt Ltd	www.ajfishing.com
Cey-Nor Foundation Ltd.	www.ceynor.com
Solas Marine Lanka (Pvt) Ltd.	www.solasmarine.com
Dhanusha Marine Lanka (Pvt) Ltd	www.dhanushamarinelanka.com
Sri Lanka Navy	www.navy.lk

8. NUMBER OF PEOPLE EMPLOYED IN THE SECTOR

There are around 20 to 25 active boat yards around the country producing various types of boats described above providing employment to over 2000 directly and around another 10,000 indirectly.

9. GOVERNMENT POLICY AND SUPPORT AVAILABLE IN THE SECTOR

The Government has planned to make Sri Lanka a Maritime Hub with the objective of exploiting the true potential of ocean and inland water resources for the development of the country.

As the boat building industry of Sri Lanka with its untapped potential and the abundant water resources of the country can play an important role in achieving this objective. Development of this industry will not only increase the foreign exchange earnings to the country, but open up much needed employment opportunities for boat builders both in Sri Lanka and abroad. Further, it will boost the marine tourism in the country.

The EDB has identified the Boat building industry as a key product sector which could contribute significantly to achieve the National export targets of the country and has implemented number of product, supply and market development initiatives to develop the sector and promote internationally.

10. R&D AND PRODUCT DEVELOPMENT FACILITIES AVAILABLE

- Boat Building Technology Institute (GTE) Ltd. (BTI)
- Universities
 - Colombo International Nautical & Engineering College(CINEC) Maritime Campus, University of Moratuwa, Ocean University of Sri Lanka

11. INFRASTRUCTURE/LOGISTICS REQUIRED/ AVAILABLE FOR THE SECTOR

Sri Lanka has a coastal shore-line of 1817.5 Kilometers and a large inland water mass consisting of lagoons, lakes, reservoirs etc. There are 13 major fishery harbours, 15 anchorages and 1053 landing sites on the coastal belt. However the full potential of the ocean has not been utilized.

A fully fledged marina infrastructure is required to manufacture larger vessels and to attract super yachts and mega yachts to the country (for marine tourism).

12. AVAILABILITY OF TECHNOLOGY AND SKILLED LABOUR

Boat Building Technology Improvement Institute (BTI) conducting training programmes for Boat Building.

Training Courses

- Introduction to Boat Building
- Fiberglass Technology & Repair
- FRP Technology for Boat Building
- Advanced Composite Technology
- Naval Drafting
- Auto CAD for Designing Boats
- Introduction to Lofting & Plug Making
- Introduction to Mould Making
- Introduction to basic Welding Techniques
- Advanced Welding Techniques
- Inboard Marine Engine Operation, Maintenance & Repairing
- Inboard Marine Engine Installation
- Fish Preservation & System Designing
- General Electrical & Marine Electrical

14. MAIN EXPORTING COUNTRIES

Markets changes frequently . However, main markets are India, UAE, Seychelles, Netherlands, UK, Norway, Maldives, France, Singapore, Comoros, Somalia, Nigeria ,Mauritius,

15. POTENTIAL FOR EXPANSION IN THE SECTOR

With the increasing demand in fisheries, tourism, defense and oil industry in the global market, the Boat building sector in Sri Lanka, as a high quality product manufacturer ,has a potential to expand its export market.

Further, with the development of fully fledged Marina and required regulatory frameworks, the industry could be further expanded by engaging in yachting/ nautical activities. Sri Lanka has the capacity to build boats for yacht chartering or even foreign yachts can come to Sri Lankan water and anchor and spend few days.

The emerging tourism industry in Sri Lanka will require pleasure boats for sea excursions for whale/dolphin watching, leisure fishing, snorkeling, scuba diving etc.

16. STRENGTHS AND WEAKNESSES OF THE SECTOR

Strengths

- Sri Lanka is an Island surrounded by the Sea.
- High quality Products – especially in the FRP and other composite material.
- Well developed ship building and ship repair industry.
- Raw material base for Boat Building is available in the Asian region.
- Boat Building Technology improvement Institute (BTI) provides high quality training to improve skills and manpower related to Boat Building Industry and also for the fisheries industry.
- Increasing demand in the domestic market for boating activities.
- Sri Lanka is becoming a sought after destination for tourism and potential for development of nautical tourism in the country.
- Development of the Fisheries sector in Sri Lanka will create more opportunities for fishing boats.
- Sri Lanka organizes its own BOAT SHOW once in every two years.

Weaknesses

- Slow technological transfers
- Lack of a fully fledged marina infrastructure in the country.
- Problem of retaining the skilled work force as they are seeking jobs overseas for better prospects.
- Inappropriate registration procedure especially for pleasure crafts.

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