



INDUSTRY DATA BOOK

2022



BOAT BUILDING
SECTOR



MINISTRY OF INDUSTRIES

BOAT BUILDING INDUSTRY

MINISTRY OF INDUSTRIES

List of Contributors

Mr.A.H.M.U. Aruna Banadara
Miss. Inoka De Alwis
Miss.Samangika Abeysinghe
Mr.G.D.P.Munidasa
Miss.W.P.Kalyani
Mrs. H.A.R.N. Wijesinghe
Ms. Chamari Fonseka
Mr. Umesh Hapuarachchi
Mr. P.A.N.C. Pathiraja
Mr.W.A.S.R. Jayawardhane
Ms.G.R. Madagedara
Ms. W.A.K.Fernando
Mrs. G.H.R.A. Priyashanika
Ms.A.A.S.Weerasinghe
Mrs.W.P.D.M. Nawarathna
Mrs.K.A.M.L.Senani
Mrs. M.Nalani
Mrs.S.D.C.Priyanka
Mr.H.M.R.A.Bandara
Mrs.R. Dinithi Madushani
Mrs.M.L.Jayaweera

Statistics Unit

Planning Division

Ministry of Industries

P.O.Box 570,73/1, Galle road, Colombo 03

Telephone: +94 11 2392149

E-mail: plan_unit@yahoo.com

Website: www.industry.gov.lk

Foreword

The Industrial Data book 2022 is an effort to support the Industrialists, in coping with current economic challenges, and contribute to their sustainable socioeconomic development through streamlining the vital process of productive decision making. This Data book focuses on the statistical factors effecting the economic growth specifically concerning the export expansion.

The statistical analyses given in this Data book are based on comprehensive statistical accounts drawn from the Department of Census and Statistics (DCS), Department of Customs (DoC), Export Development Board (EDB) and the Central Bank of Sri Lanka (CBSL) as a reference.

This publication includes statistical references pertaining to exports and imports including the tables on productivity indicators prepared based on Manufacturing establishments and number of persons engaged in each sector, statistics on Principal indicators of Industrial Activity from year 2015 to 2019, value of outputs and output components, value of intermediate consumptions, employment by nature, statistics on Economic indicators of industrial activities classified by industry class and statistics on imports and exports.

I am grateful to the Director General, Planning Division, Ministry of Industries Mr. Aruna Bandara and his team for the immense support given in this endeavor. Further, my heartfelt gratitude goes to Ms. Rajitha Wijesinghe, Statistician, Ministry of Industries and her team members Mr. Nirosh Chathuranga Pathiraja and Mr. Shamith Rashmika Jayawardane for their well-committed contribution and tremendous effort to make this a reality while working in collaboration with the DCS. Also, I would like to thank Ms. Chamari Fonseka, Deputy Director, and Mr. Umesh Hapuarachchi, Information and Communication Technology Officer of the Information Technology Division for their contribution in providing the write-ups and cover page designs.

I strongly believe that this Industrial Data book 2022 will serve a valuable purpose on the present and future status of productivity and economic growth in industrial sectors, while influencing prolific process of policymaking in the industry sectors. I am of the view that this publication would be beneficial for all levels of industrial data consumers including policy makers, economic planners, academics, researches and any other interested parties in future.

J.M. Thilaka Jayasundara

Secretary

Ministry of Industries

Content

	Page No
Overview	01
Data Tables of Boat Building Sector	02—03
References	04

List of Tables

Table 1:	Number of Boat Building Products Manufacturing Industries and Engaged Persons in Sri Lanka (2013/14 Economic Census)	02
Table 2:	Boat Building Products Imports (2019-2021)	02
Table 3:	Boat Building Products Exports (2019-2021)	03

List of Figures

Figure 1:	Exports Value of Boat Building Products	01
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Abbreviations

CIF	cost, insurance, and freight
FOB	Free on Board
Kg	Kilogram
GDP	Gross Domestic Products
MT	Metric Ton
No	Number
n.e.c	Not elsewhere classified
(‘000) No	Thousand Number
(‘000) Pairs	Thousand Pairs
(‘000) Rs	Thousand Rupees
Qty.	Quantity
Rs.	Rupees
Rs. Mn	Rupees Million

Overview

The boat and ship building industry has shown substantial development within the last few years. The industry has been branded as one of the key players in the export sector of Sri Lanka. The core business activities of the sector include Manufacturing of Pleasure Boats, Commercial Boats, Fishing Boats & Military vessels, Pre-production services including boat design, lofting, plug making, mould making, supplying of engine, navigation and communication equipment, refrigeration systems, sail makers and fire and safety equipment, Post-production services including boat storage, transport devices, diving and fishing equipment, boat and engine maintenance and repairs, Ship building and ship repairing. Sri Lanka is capable of design and building both Fiberglass and steel hull vessels and specializes in High Speed Patrol Boats (speeds surpassing 50 knots) built to indigenous, battle-proven designs.

Total export earnings from the Boat building sector amounts to at USD 38 million by the end of 2021. The Sector Contributed 0.31% to total merchandise exports in year 2021. This is while receiving USD 10.25 billion from USA, the largest buyer of the Sri Lankan Boat building sector. UK, Norway, Sweden, Holland, France, Iran, UAE, Yemen, Somalia, Gambia, Nigeria, Pakistan, India, Bangladesh, Maldives, Seychelles, Singapore and Mauritius are other major export destinations available for country's boat building sector products. Sector contribution to GDP stands at approximately 0.15%.

Boat building sector mainly imports URP resins, Core Mat, SS316 Ladders, Marine plywood, Marine Glass windows, Propellers etc. which accounted for USD 10 million in 2021. The imports have been declined by around 67% from the value of USD 6 billion recorded in 2020 due to the measures taken by the government to temporary suspend the imports.

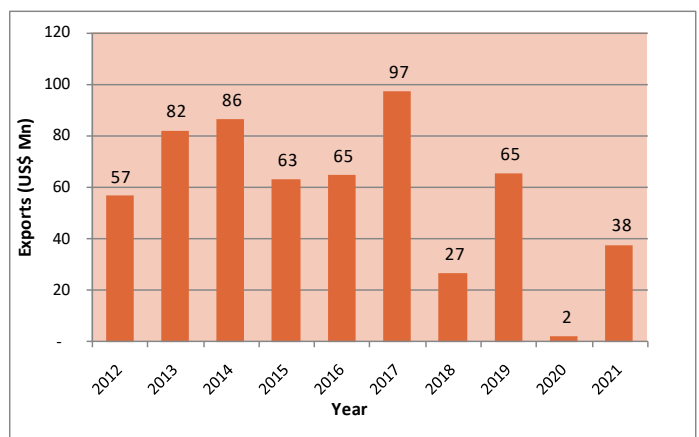
The boat building sector in Sri Lanka is comprised of specific benefits such as the Strategic location of the country, Island surrounded by the sea, Potential to host international yachting and nautical tourism events, State of the art training centers, growing interest in boating activities in Sri Lanka, Rapid development in port related constructions and Modernization and development of the Fisheries industry.

There are around 76 active boat yards in the boat building sector. The industry provides direct employment for about 5,000 people and indirect employment for more than 15,000 people who are in support activities of the sector. All companies of boat manufacturing industry in Sri Lanka, are encouraged to share the responsibility for sustained quality improvements by introducing and implementing innovative ideas through updating and controlling the quality processes in systematic manner with consist supervision and leadership. This is to ensure that tasks are completed in the most cost effective and timely manner.

The sector has also been identified as one of the key visionary sectors in the National Export Strategy 2018-2022 for Sri Lanka. Having identified the potential, the Boat Building industry has to contribute to the export earnings, the National Budget 2018 allocated funds to establish necessary infrastructure facilities required for the boating industry and to develop a regulatory framework covering the entire value chain of the industry (excluding fishing boats). EDB initiated work related to the implementation of the aforementioned budget proposals and has submitted Regulatory Framework for the boat building sector to the implementing authorities. Moreover, feasibility study on construction of water Break at Kapparithota (Weligama) has been completed and Environmental Impact Assessment (EIA) is being done.

The global boat building industry has shifted from fiberglass to polymer composite structures and use advanced composite moulding technologies. In Sri Lanka, few industry players use advanced materials and technologies to be on par with global counterparts. Lack of infrastructure facilities within state universities for transforming advanced composite manufacturing technologies is a key barrier for future development of the boat building sector in Sri Lanka.

Figure 1: Exports Value of Boat Building Products Industry



Source; Export Development Board

**Table 1: Number of Boat Building Products Manufacturing Industries and Engaged Persons in Sri Lanka
(2013/14 Economic Census)**

Industry	Micro		Small		Medium		Large	
	No. of Estab.	No. of PE	No. of Estab.	No. of PE	No. of Estab.	No. of PE	No. of Estab.	No. of PE
Manufacture of ships or sections for ships	-	-	-	-	-	-	1	3000
Manufacture of boats and passenger vessels	30	66	27	225	9	500	1	211
Manufacture of other ships and floating structures n.e.c.	2	3	2	12	2	222	1	217
Building of pleasure & sporting boats	1	2	-	-	-	-	-	-
Total	33	71	29	237	11	722	3	3428

Source: Department of Census and Statistics

Table 2: Boat Building Products Imports (2019-2021)

Description	2019		2020		2021	
	Qty(No)	Value (Rs.Mn)	Qty(No)	Value (Rs. Mn)	Qty(No)	Value (Rs. Mn)
Cruise ships, excursion boats, ferry-boats, cargo ships, barges and similar vessels for the transport of per-	3	227	3	199	11	1,270
Fishing vessels; factory ships and other vessels for processing or preserving fishery products	5	37	7	48	2	0.15
Yachts and other vessels for pleasure or sports; rowing boats and	1,153	85	228	83	401	167
Tugs and pusher crafts	1	161	1	20	2	173
Light vessels, fire- floats, dredgers, floating cranes, and other vessels the navigability of which is subsidiary to their main function; floating docks; floating or submersible drill-	5	355	6	112	2	130
Other vessels, including warships and lifeboats other than rowing	3	53	5	455	532	76
Other floating structure	16,868	1,085	66,436	184	9,980	230
Vessels and other floating structures for breaking up	1	0.01	8	16	1	0.88
Grand Total	18,039	2,006	66,694	1,120	10,931	2,051

Source: Sri Lanka Customs

Table 3: Boat Building Products Exports (2019-2021)

Description	2019		2020		2021	
	Qty(No)	Value	Qty(No)	Value	Qty(No)	Value
Cruise ships, excursion boats, ferry-boats, cargo ships, barges and similar vessels for the transport of persons or goods.	18	660	10	126	6	6,608
Fishing vessels; factory ships and other vessels for processing or preserving fishery products	513	224	306	114	646	260
Yachts and other vessels for pleasure or sports; rowing boats and canoes(+)	1,828	221	1,876	185	2,598	710
Tugs and pusher crafts	-	-	-	-	-	-
Light vessels, fire- floats, dredgers, floating cranes, and other vessels the navigability of which is subsidiary to their main function; floating docks; floating or submersible drilling or production platforms.	1	10,323	1	1	-	-
Other vessels, including warships and lifeboats other than rowing boats	1	15	1	14	3	16
Other floating structure	6,807	125	-	-	38	1
Vessels and other floating structures for breaking up	-	-	-	-	-	-
Grand Total	9,168	11,570	2,194	441	3,291	7,597

Source: Sri Lanka Customs

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