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LP/100M/106/07

FEASIBILITY STUDY FOR SHIP BREAKING YARD

by

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This thesis was submitted to the Department of Mechanical Engineering of the University of Moratuwa in partial fulfilment of the requirements for the Degree of Master of Engineering in Manufacturing Systems Engineering

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July 2007**

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DECLARATION

This Dissertation paper contains no material which has been accepted for the award of any other degree or diploma in any University or equivalent institution in Sri Lanka or abroad, and that to the best of my knowledge and belief, contains no material previously published or written by any other person, except where due reference is made in the text of this Dissertation.

I carried out the work described in this Dissertation under the supervision of Dr. M. A. R. V. Fernando.

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Abstract

Government of Sri Lanka needs more feasible business projects to develop the country economy. There should be the projects which are creating more job opportunities and utilising more unused resources.

Nowadays, steel related industries are getting a more important part in the economy sector. Large amount of steel (0.3million tons) are being used for construction and fabrication work. Presently iron and steel requirement are important to the country.

Scrap steel can be used as a raw material for iron and steel manufacturing. 1/3 of steel requirement is generated by re-cycling work. Ship breaking industry is a most important industry for scrap re-cycling work which is used by some developing countries to meet their steel requirement.

After considering lot of criteria it has been found that the Hambantota is the most suitable place for the ship breaking industry. Infrastructure, suitable beaches and other facilities are also available near Hambantota.

Annual production of the ship breaking yard depends on the capacity of the tools and equipment of the yard and the capital investment of the project. The capacity of the project evaluated in the report and according to the capacity 18,000 tones of steel can be generated annually and the return on investment is less than 5 years.

The ship breaking industry is a feasible and most economical project which creates more then 150 job opportunities which is most important for the country.

Acknowledgement

This feasibility study report has been benefited from the advice and support of many people. My heartfelt gratitude is to the workers and the management of Colombo Dockyard Limited.

My most sincere gratitude is due to Dr. M.A.R.V. Fernando, senior lecturer, department of Mechanical Engineering, university of Moratuwa, for his advice and guidance. My thanks must go to all the lecturers in the department of Mechanical Engineering, university of Moratuwa, for many valuable insights and continuous guidance and support given during my academic period for this study.

At last, the friends who travelled across the country to gather data and information for the study.

G. K. Kulasekara



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