

Chapter 6

DISCUSSION AND FURTHER RESEARCH

6.1. INTRODUCTION

This chapter discusses the research in view of the objectives of the study and the limitations identified during the process. Directions for further researches on this industry are recommended based on the experiences gained through this exercise.

6.2. DISCUSSION AND CONCLUSIONS

The objectives of the research were to:

Carryout a situational analysis on the seagoing vessel building industry,

Assess the sustainability of the seagoing vessel building industry in terms of TEES factors with special emphasis on CDPLC and

Recommend strategies and polices to promote seagoing vessel building industry for the economic growth of the Sri Lanka.

Researcher planned to analyse the current situation using the Porter's five forces model, which was very effectively used by Porter to measure the attractiveness and likely profitability of the industry. This included a questionnaire survey as well.

The sustainability in terms of TEES was measured using the conceptual model, developed by the researcher. This model identified the various factors that can be used to assess the sustainability of the industry under main four categories, i.e. Technological, Economic, Environmental and Socio-Political. A questionnaire survey also was carried out to get the feedback from the industry professionals and stakeholders.

Also, a PEST analysis was carried out asses the macro environment and value chain analysis was used to identify the value creation of the industry. Also SWOT profile was used to identify the existing threat and opportunities in macro environment and strengths and weaknesses with the firms or the industry. Based one the findings on all these

analysis, the formulated strategic management model by the researcher was used to derive recommended strategies and thus the policies to support them.

Finally, it could be concluded that the existing recession in the world affected the shipping related industries, especially shipbuilding. The local vessel building industry also had to undergo certain adverse impacts. *Hence, the industry leader CDPLC and the several other players have to derive appropriate strategies to overcome this crisis situation and gain competitive advantage given the relevant political background & policies, without which the said strategies would not be much effective.*

Hence, depending on thorough sustainability, situational and value chain analysis, it was recommended that the local industry need to concentrate on generic strategy Differentiation as well for short term, Market / Product Development and Market Penetration to achieve competitive advantage.

Since CDPLC is the market leader in the industry with a huge export turnover and a considerable market share (for most of the vessel / ship types manufactured locally, CDPLC has a 100% market share) when compared to the other local vessel builders, a special emphasis was given to the organisation when analysing the environment and recommending strategies and policies. As shipbuilding is a global industry and most of the vessels currently built by CDPLC are for export market, the global scenario was considered in certain perspectives and analysed using secondary data. But no primary data collection or research on foreign industries was included in this study since it was not feasible for a student research and the global market share of the local industry was well below even 1% thus minimising the impacts from global market dynamics to the local industry.

Also it was noted that sometimes the respondents have not shown interest in filling up the questionnaire and as a result some of the outcomes were not up to the expectations. Also as student research, the time and resources available to the research were limited. Considering all the limitations, the researcher is satisfied with the outcome of this study.

6.3. DIRECTIONS FOR FURTHER RESEARCH

It was observed that the fluctuations in the global shipbuilding industry do not affect to the local industry in the same magnitude and speed due to the smaller scale. However, the researcher believes that for a comprehensive market analysis, the regional industry surveying is a must since this local industry is highly affected by the market dynamics of the region.

Likewise, the other major related industries, namely ship repair and offshore engineering, were not included in the scope of this research due to restriction of time for a student research. Nevertheless the researcher believes that for a comprehensive study of the industry, at least the ship repair sector to be included since it goes hand in hand with shipbuilding and has a major proportion in the shipping related industry of Sri Lanka.

Also this research does not cover the conventional types of boat building for fishing activities or river / canal transportation. However, it's essential that these small workshops / individuals are also to be included in order to get a boarder perspective and for making policies and strategies for grass root level of the industry.

Also this research does not explicitly derive any critical success factors (CSF) for the local industry. Hence, providing strategic guidelines with CSF would be much effective for the firms for implementation.