

Improvements in sri lankan logistics industry

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Sri Lanka's mission is to continue the momentum to become an integral part of South Asia's drive to position itself as one of the most important global economic areas. Given the limited size of Sri Lanka's International Ranking has improved domestic market, targets set by the from 137 to 81 in the World Bank government on export growth cannot Logistics Performance Index 2012. Be met without Sri Lanka's Logistics Sector's significant improvement in export performance.

Both export product categories and Sri Lanka has made progress in this index thanks to the improvements it has destinations need to be diversified. Made A concerted effort to plug into Asian infrastructure, international shipments, supply logistics Haines will also particularly important. At a time when the global economic centre of gravity is shifting from West to East, Sri Lanka needs to address a situation where 60% of its exports in areas quality such and customs competence, tracking, tracing and timeliness.

The rating, which is being conducted once in every two years is based on 6000 individual country assessments by nearly are directed to the sluggish markets 1 , OHO international freight forwarders, of Europe and North America and who rates the eight foreign countries less than 10% to the dynamic their company serves most frequent markets in China and India In this context Logistics Performance index (LPI) plays an important role to measure the ease of doing business as well as the logistic friendliness of the country..

The Ministry of Finance and the Central Bank of Sri Lanka (CBS) is taking the lead in bringing about a significant improvement of Sri Lanka's ranking on this

index. The target is to take Sri Lanka into the top 30. 1 | Page China, India and Brazil - three of the so-called BRICE countries - remain the most dominant emerging markets for investors, exporters, producers of consumer goods, and logistics providers. For the second consecutive year, logistics and trade refashions ranked China, India, Brazil and Russia as the likely places to emerge as logistics hubs over the next five years.

Sri Lanka Place Rank No 30th on " Agility Emerging Market Logistics Index 2013" The United Arab Emirates, Oman and Qatar are standouts among countries that are smaller markets with good economic prospects and easy market entry. Sri Lanka also was part of that group. The Index's six components include: The efficiency of the clearance process (speed, simplicity, and predictability of formalities) by border control agencies, including customs; ; The quality of trade- and transport-related infrastructure (ports, railroads, roads, information technology).

For " market compatibility' Sri Lanka scores higher than any Asian country except for China. Following a long, brutal civil war, the country has experienced strong economic growth and put security threats behind it. Even so, Sri Lanka has not yet been able to draw levels of foreign direct investment comparable to those attracted by countries of similar size and potential. ; The ease of arranging competitively priced shipments. ; The competence and quality of logistics services (transport operators, brokers). ; The ability to track and trace consignments. The frequency with which shipments reach the consignee within the scheduled or expected delivery time. Source : Agility Emerging Market Logistics Out of six LIP index

components we are Index 2013 going to consider the first two factors under the projects we are going to discuss. With the Sir Lankan government implementation and fast track programs on Information Technology (series Lankan) the connectivity and platforms were build across the public and private sectors to ease the processes and way of working . This has improved the efficiency of the Public sector greatly and also a way of making processes denaturized.

Also the government has taken a leap step ahead to improve infrastructure relating to logistics not only in terms of Ports & Airport , new Highways , rail road's as well as road matrices are coming up. 21 Page Two Key Projects we are going to consider are, 1 . Colombo Port Expansion Project 2. SAUCED - Automated System for Customs Data COLOMBO PORT EXPANSION PROJECT The Colombo Port Expansion Project provides for dredging and breakwater construction sufficient to accommodate three terminals, which will be constructed sequentially.

The Project includes the establishment of a new marine operations enter, relocation of a submarine oil pipeline, provision of navigational aids, and construction of shore utilities. The Project will be developed on a public-private partnership basis. The harbor infrastructure works, I. E. , dredging, breakwater construction, and other works, will be implemented by the Sir Lankan Ports Authority (SLAP). The first two terminals will be operational in 2013 and 2015 respectively and constructed by operators chosen through open competitive bidding under build-operate-transfer (SOT) concession agreement.

Colombo Port is the natural transshipment " This is a development that will definitely reduce freight rates, make us more competitive, and attract more ships to call at Colombo. We are looking at this project to convert Colombo to the biggest transshipment hub in the region. " hub port for the South Asian region. - Primary B. Wisecrack However, in recent years Colombo Port lost Chairman , Sir Lankan Ports Authority market share of the regional transshipment market because the fundamentals of the market changed and Colombo Port did not adapt.

Colombo Port cannot offer the additional operating capacity required to compete for the Indian subcontinent transshipment market or the depth required to berth the latest generation container ships. Colombo Port will have to develop additional container berths with the required depth to address these capacity and depth infrastructure 3 | Page The Making off Hub The last time Sir Lankan built a breakwater to protect its fleet of ships, the teardrop- shaped island off the coast of India was called Ceylon, and was still under colonial rule.

Today, this independent country of 21 million people is a regional rising star, and the government is capitalizing on the island's strategic location to promote it as an economic hub in South Asia. The new breakwater at Colombo Port is part of a \$500 million port expansion supported in part by \$300 million DAB loan - that is moving Sir Lankan toward this goal. Coulomb's breakwater has a depth Colombo Harbor 18 meters, compared to the previous 14 - 1880-1890 to 15 meters - a crucial difference in a world in which ever bigger cargo ships require ever deeper docking berths.

Around 7 hectares of sea was reclaimed for the breakwater, which features 34, 500 specially designed boulders - along Container handling capacity before the project 3. 3 million with an additional 5-meter-high wave wall - that can defend the port against Container handling capacity by 201 5 the most inclement weather. 8. 1 million The breakwater was completed in Container handling capacity by 2024 April 2012 and two 400-meter-long 12. 5 million terminals by July 2013. A third 400- meter terminal is also in the planning stages.

These will make it possible for Colombo Port to 4 page accommodate the latest generation of mega-container ships, which carry 18, 000 containers and more. According to officials the project will eventually increase the port's capacity to 12. 5 million containers per annum from a current 5 million. Direct to Market The main breakwater and access channel enable the development of the three container terminals. The first of these, the South Container Terminal, is being plopped under a public-private partnership.