

BRIDGE

DECEMBER 2021 | 13TH EDITION



CASA'S FIRST
FEMALE CHAIRPERSON

STEERS THE TEAM IN
ANSWERING THE

**CLARION CALL FOR
DIGITALIZATION
OF THE SHIPPING
INDUSTRY** 38

**LNG BUNKERING
THE FUTURE
ENERGY FOR
PROPULSION** 16

**NAVIGATING THROUGH
HIGH MARITIME
FREIGHT RATES** 06

**CELEBRATING WORLD
MARITIME DAY** 46
CASA PRESENTS PANEL DISCUSSION



In conversation with

CHAIRMAN & CHIEF
EXECUTIVE OF THE
SRI LANKA EXPORT
DEVELOPMENT BOARD

MR. SURESH 22
DAYANATH DE MEL



CEYLON
ASSOCIATION OF
SHIPPING AGENTS

Rs.600/-

ISSN 265 1-026X



9 772651 026005

TRANSWORLD GLS

CARRYING CARGO WITH CARE

A subsidiary of
TRANSWORLD GROUP SINGAPORE

- Air Freight
- Liner Agency
- Supply Chain Solutions
- Sea Freight
- Inland Logistics
- ISO Tanks
- Projects

10
countries

36
offices



BEST COMPLIMENTS FROM

TRANSWORLD GLS (LANKA) PVT LTD

Ceylinco Houe, No 69. 8th Floor, Janadhipathi Mawatha, Colombo 01, Sri Lanka T.P +94 11 7634170/77 FAX +94 11 2481020

OUR PRESENCE

SINGAPORE
VIETNAM

MALAYSIA
INDIA

MYANMAR
SRI LANKA

THAILAND
CHINA

INDONESIA
AFRICA

M E R R Y C H R I S T M A S

Wish you the happiest holidays

Compiled by Publicity & Public Relations Committee

- Dhashma Karunaratne
- Shane De Alwis
- Hamza Alibhoy
- Sachini Perera
- Dhamitha Pathirana
- Surangi Gunasekara
- ChamindhriWimaladharm
- Kirk Baldsing
- Danushka Goonesekara
- Oshadie Manoja
- Asitha Martis
- Enoka Wickremasinghe
- Asanka Basnayake
- Y.T. Praboditha
- Isuru Alagiyawanna
- Tharaka Nanayakkara
- Sajuna Weerasooriya

Assisted by :
Rochelle Palipane Gunaratne -
Freelance Journalist
Designed by: Duminda Karunanayaka
Printed by : RMR Advertising

Ceylon Association of Shipping Agents,
No 56, Ward Place, Colombo 7, Sri Lanka

(T) +94 112 696 227
(F) +94 112 698 648
(E) info@casa.lk
(W) www.casa.lk

CASA reserves the right to alter or edit material submitted for publication in consultation with the writer/s and the decision of the Editorial Board would be final in the case of any differences of opinion.

NAVIGATING THROUGH **HIGH MARITIME FREIGHT RATES**

06

BY IMESHA DISSANAYAKE

Maritime Freight rates have been on an upward trend since the second half of 2020. The Drewry's composite World Container Index (WCI) as at 30th September 2021 increased to USD 10,361 per 40ft container, which is 292% higher than the same period in 2020.

REGAINING TOURISM IN NEW NORMAL SCENARIO:

10

**INTRODUCING THE
TOURISM LOGISTICS
CONCEPT**

A new normal is a state to which an economy, society, etc. settles following a crisis. When it differs from the situation that prevailed prior to the start of the crisis it leads to change in the social activities etc.

LNG BUNKERING

16

**THE FUTURE
ENERGY FOR
PROPULSION**

It's no secret that shipping is the backbone of global transport with ships carrying over 80% of global cargo around the world consequently a significant percentage (over 8%) of global oil production ...

35

BLPL EXPANDS CAPABILITIES

BLPL Singapore, part of Transworld Group Singapore, today announced that it has taken delivery of its third owned container vessel - BLPL Faith. This latest addition to the fleet took place at the Busan Anchorage in Korea, on November 24.

CASA OUTLINES STRATEGIC PRIORITIES FOR THE DEVELOPMENT OF THE MARITIME SECTOR

30

Since its inception in 1944 The Ceylon Association of Shipping Agents (CASA) has played a vital role in developing the local maritime industry and has contributed towards positioning Sri Lanka as a transshipment hub in the region.

In conversation with **MR. SURESH DAYANATH DE MEL**

22

Chairman & Chief Executive of the Sri Lanka Export Development Board

2021 will be a year of reinvention for all business ventures with "Entrepreneurship" becoming the buzz word when dealing with the new normality.

CASA'S FIRST FEMALE CHAIRPERSON

STEERS THE TEAM IN ANSWERING THE

CLARION CALL FOR DIGITALIZATION OF THE SHIPPING INDUSTRY

38

Compiled by Rochelle Palipane Gunaratne

Reshaping the history of the maritime industry of Sri Lanka is Shehara De Silva- the first female and the youngest Chairperson of the Ceylon Association of Shipping Agents (CASA). In 2017, Shehara was appointed as the first female office-bearer in the 50-year history of the Ceylon Association of Shipping Agents (CASA).

CELEBRATING **WORLD MARITIME DAY** CASA PRESENTS PANEL DISCUSSION

46

Ceylon Association of Shipping Agents (CASA) celebrated World Maritime Day which falls on September 30, with an aptly timed virtual discussion titled, 'Digital Transformation in the Maritime Industry- Sri Lankan Perspective'.

CASA CONDUCTS THEIR 55TH ANNUAL GENERAL MEETING VIRTUALLY

53

CASA, the voice of the shipping industry held their Annual General Meeting on 17th August 2021 virtually with the attendance of over 100 members and stakeholders.

IN LIGHT OF INCREASING THREAT TO THE MARITIME INDUSTRY

58

by Ceylon Association of Shipping Agents (CASA)

Last week's incident in which a drone attack to the 'Mercer Street' left two of its crew dead proves the paramount need of Maritime Security. Similar to any industry today, the maritime industry is no less dynamic and pioneering.

DIGITAL SOLUTIONS TO BOOST THE PERFORMANCE OF TRADE COMMUNITIES

62

The world's biggest ports are facing major challenges, in terms of information systems evolution. To remain competitive, Port communities, must operate a real technological, digital, and environmental leap.

HEALING THE OZONE LAYER: THE NEED FOR A NATIONAL COOLING POLICY (NCP) FOR SRI LANKA

69

The ozone layer is located in the lower stratosphere at a height of 15 to 30 kilometres above the earth, protecting it against the sun's harmful ultraviolet (UV-B) radiation.

REOPENING SCHOOLS IN THE NEW NORMAL: KEY FOCUS AREAS FOR SRI LANKA

72

The decision to gradually reopen Sri Lankan schools – which have been shut for close to 20 months since COVID-19 first struck – is a welcome move. As of September 2021, 93% of countries had reopened schools either completely or partially, making Sri Lanka one of the last to do so.



NAVIGATING
THROUGH **HIGH
MARITIME
FREIGHT
RATES**

BY IMESHA DISSANAYAKE

Maritime Freight rates have been on an upward trend since the second half of 2020. The Drewry's composite World Container Index (WCI) as at 30th September 2021 increased to USD 10,361 per 40ft container, which is 292% higher than the same period in 2020. The average composite index of the WCI (Drewry), for year-to-date, was about three times higher than the five-year average of USD 2,430 per 40ft container.

The causes of the historic highs in shipping freight rates have been owing to a multitude of factors. These include COVID-19 disruptions, container inventory imbalances, Suez Canal blockage and a lack of competition in the shipping industry, which has been weighing into the growing trend of freight rates. Industry experts believe that the freight rates would not recover to pre-pandemic levels in the 6 to 12-month period. However, recently, two of the world's top container lines (CMA CGM Group and HAPAG-Lloyd) have pledged to freeze their spot rates and put off any further increases in spot freight rates for containerised cargo. This may persuade other carriers to follow suit and lead to an improvement in freight rates.

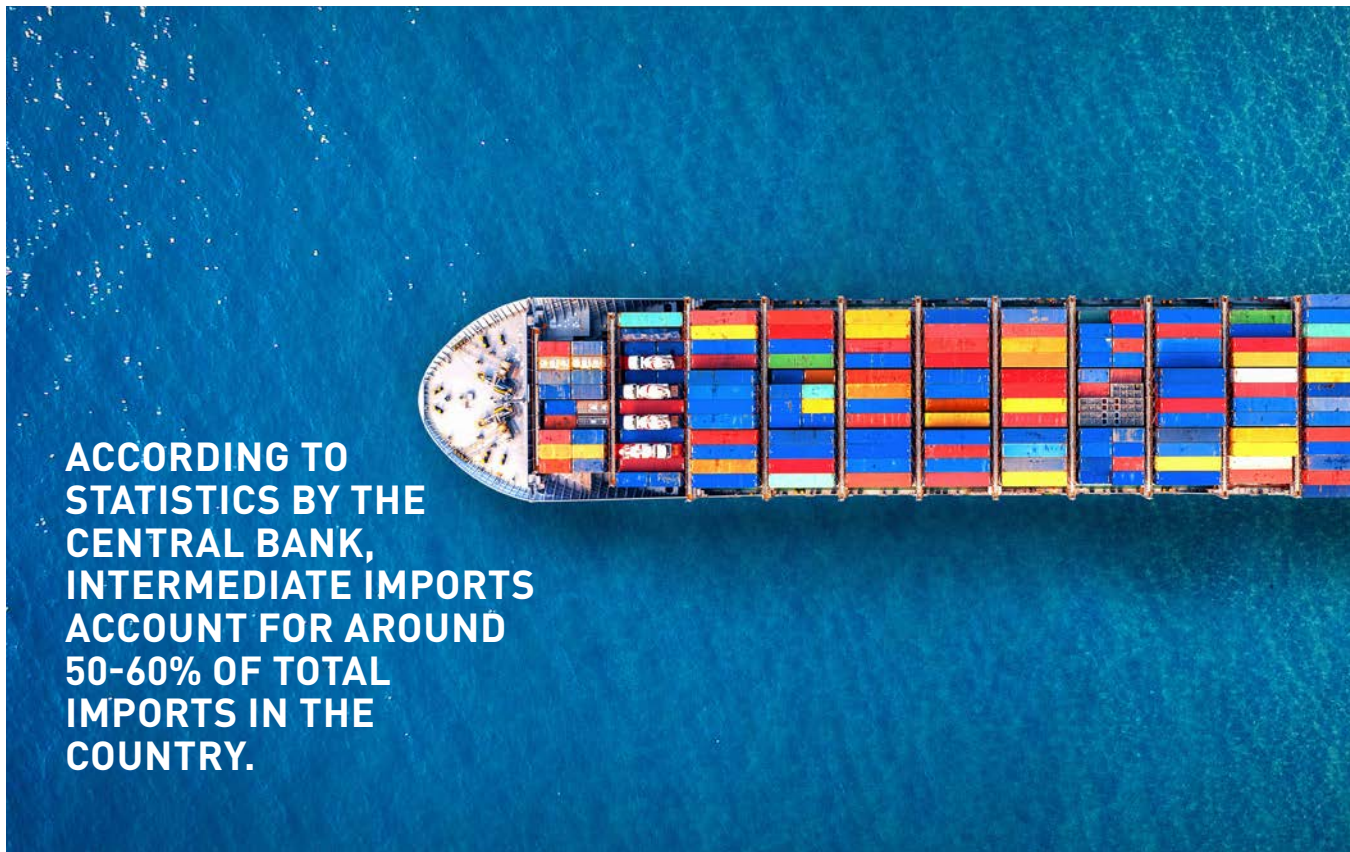
1. COVID-19 RELATED DISRUPTIONS

In the second half of 2020, global economic activity and trade witnessed a sharp rebound driven mainly by the manufacturing sector. However, the services sector and especially the most contact-intensive activities such as port operations lagged behind owing to the continued need for social distancing, labour shortages and other limitations of the pandemic. This resulted in delays and congestions at ports particularly in Europe, USA and recently in China with the outbreak of the Delta variant. This led to increased turnaround time for vessels causing disruptions to regular schedules of carriers and also created a large scale container imbalance. The outbreak of the Delta variant can also further disrupt trade in Asia where around 42% of global exports are sourced according to United Nations

estimates. These disruptions are coming at a time when the industry is preparing to ramp up for the Christmas holiday season, which could cause a further acceleration of freight rates in the near future.

2. E-COMMERCE – SPLIT SHIPMENTS

As lockdowns and limitations on movement became the new normal, consumers opted for electronic modes of purchasing goods and services and, businesses followed suit by improving their e-commerce channels. E-commerce retailers have been relying on split shipments where when an online order that contains multiple products is broken down into separate shipments to enable fast and efficient delivery. These factors coupled with the shortage of containers have further aggravated the freight rates while



also creating a harmful ecosystem of increased shipments and freight costs.

3. LESS COMPETITION IN SHIPPING LINES AND ALTERNATIVES FOR SHIPPING

The limitations on belly capacity in passenger aircraft due to the decline in passengers travelling by air has led to the lack of alternatives for ocean freight. This has led to capacity constraints in the shipping industry as opposed to the overcapacity seen in the industry prior to 2020 and the difficulty in avoiding soaring freight rates. However, at present, the strong earnings of the shipping industry have triggered new orders for ships this year, doubling the orders received for all of 2019 and 2020 according to Baltic and International Maritime Council (BIMCO). These new ships that are scheduled to be added to the fleet from 2023 onwards, could ease the capacity constraints.

4. DECARBONISATION

Globally we are witnessing an accelerated effort towards decarbonisation measures such as the International Maritime Organisation

(IMO) measures to reduce the Greenhouse Gas (GHG) emissions by ships, which are to be in force on November 2022. A study done by UNCTAD on the impact of these measures by IMO revealed that this will lead to slightly higher freight rates as a result of internalizing external costs and also as a result of going at lower speeds to reduce CO2 emissions. While the magnitude of these increases are relatively small when compared to current fluctuations in freight rates, these will be relevant for many years to come until the sector has reached an energy-efficient level.

5. SUEZ CANAL BLOCKAGE

The container ship that was wedged in the Suez Canal at the start of the year, though for a short period, had ripple effects on the industry. This further aggravated the already stretched shipping market. As the ships took longer to reach their destinations, the shortage of empty containers increased further in this period. This led to high pressure and increased freight rates not only for the routes passing through the Suez Canal but also for the routes nearby.

IMPACT ON SECTORS

EXPORTS

Sri Lanka's export industry is reliant on imported raw materials for its exports. According to statistics by the Central Bank, intermediate imports account for around 50-60% of total imports in the country. This makes the country's exports relatively expensive due to the increased procuring cost of imported raw materials and increased shipping cost of exports. Even though exports such as apparel, which consists of a larger portion of the country's export basket are exported Free-On-Board (FOB), this still increases the final price of the export as the buyer incorporates the freight cost into the final price of the product.

Factors that had supported Sri Lankan exporters to receive competitive freight rates prior to the pandemic such as the country's strategic location (being the last port of call to destinations such as the UK, Europe and USA) and regulations such as "All in Freight Rate" where all charges of shipping had to be consolidated into one rate, too are no longer working favorably as it used to be for Sri Lankan exports, given the current constraints in capacity.

Sri Lanka historically had an imbalance between the 20ft containers and 40ft containers. This imbalance was further aggravated by the imposition of the import ban on certain items such as vehicles, which limited the 40ft container imports to the country. Therefore, exporters in Sri Lanka are also facing a container shortage, which in return adds to the already high freight rates.

IMPORTS

Importers usually pass on their freight costs to the consumers. Under almost every conceivable scenario (whether FOB, Cost and Freight – CNF, etc.), an importer will bear the cost of any increase in transportation costs including paying for insurance and other related costs, which too have increased. The higher freight costs also increase the duties and levies. All of these costs are eventually passed on to the consumers. This could further intensify the inflationary pressure in the economy given the expansionary monetary measures followed by the Government during the past year. The inflationary pressure will also affect consumer welfare with the unprecedented challenges posed by the current pandemic.

On top of exorbitant freight rates comes the limited availability of dollars in the country to settle import bills. This creates delays initially at the banks, which then in most cases lead to delays in the customs clearance process, adding further demurrage charges that have to be borne by the importer. These again exacerbate the cost of imports to the country and the price paid by consumers.

SOLUTIONS TO NAVIGATE THROUGH HIGH FREIGHT RATES

The solutions to navigate through the growing freight rates are twofold. The first set of solutions are for the private sector, which can be carried out by individual exporters and importers prior to the shipment of goods in order to mitigate high freight rates.

The recommendation for Government entities is to reduce other trade costs and lower the business operational costs for traders, as, price controls would not resolve the current situation and, may further aggravate it by creating more supply chain bottlenecks. A brief overview of these solutions are set out below.

1. SOLUTIONS FOR THE PRIVATE SECTOR

A) STRATEGIC PLANNING

Strategic planning can aid in limiting the exposure to high freight rates and be a cost saving for traders as rush orders can incur heavy costs on the traders. Through careful planning, these high freight rates can potentially be managed. Strategic planning also includes analysis done on freight rates both historic and future estimates in order to better understand the trends and to plan accordingly. This will enable traders to make informed decisions backed by data and information.

B) OPTIMISING MARKETS AND SHIPMENTS

Freight rates can be optimised by focusing on numerous factors such as route, market and shipment. Deciding between Full-Container-Load (FCL) or Less-than-Container-Load (LCL) or as groupage can help optimise the freight rates as there are multiple charges involved in an LCL or groupage compared to FCL. Using the right type of containers such as 20ft container for weight based cargo and 40ft container for volume based cargo can also help optimise freight cost. It is also imperative to identify the right incoterm such as FOB, CNF, CIF (Cost, Insurance and Freight), FAS (Free Alongside Ship), etc. as these aid in identifying who pays for the various charges of the shipment and the responsibilities thereof. Route and market optimisation

is another option to lower freight rates by analysing the routes used by the various carriers and markets that have a container deficiency. Carriers may offer special deals to customers who are able to ship cargo where a container is already being repositioned or customers that can triangulate container shipments. This would also offer an opportunity for Sri Lankan exporters to diversify into new markets such as China, Japan, Taiwan, Korea, etc. where there is a container deficit. This will induce shipping lines to drop off empty containers in Sri Lanka for exports to these markets and defray carriers' empty re-positioning costs.

2. SOLUTIONS FOR THE GOVERNMENT

REDUCING OTHER COSTS THROUGH TRADE FACILITATION

Automation of all trade related agencies are pivotal to have a resilient industry and bring in strategic transformation, leveraging on the opportunity presented by the pandemic. Under Category C commitment for Sri Lanka under the World Trade Organisation (WTO) Trade Facilitation Agreement (TFA), Article 8, a mechanism to develop a Border Agency Corporation is required by Sri Lanka. Although the automation of a few individual agencies were seen, the lack of integration and inter-agency connectivity is a deterrent for this process. Implementation of the National Single Window (NSW) is the long term permanent solution for the country to keep the business operational costs low to face situations of this nature or worse scenarios in the future. Therefore, the Government can look to accelerate the implementation of this long-overdue project without any further delay. The blueprint for the National Single Window has already been developed.

Full report can be accessed at – [Navigating through High Maritime Freight Rates](#)

The writer is a Research Associate attached to the Economic Intelligence Unit of the Ceylon Chamber of Commerce. This article is part of the Strategic Insight Series, which focuses on key contemporary topics that matter to the private sector. Topics such as Renewable Energy, REITS, State-Owned Enterprises and FinTech Regulatory Sandbox amongst others have been covered by the briefs to date.

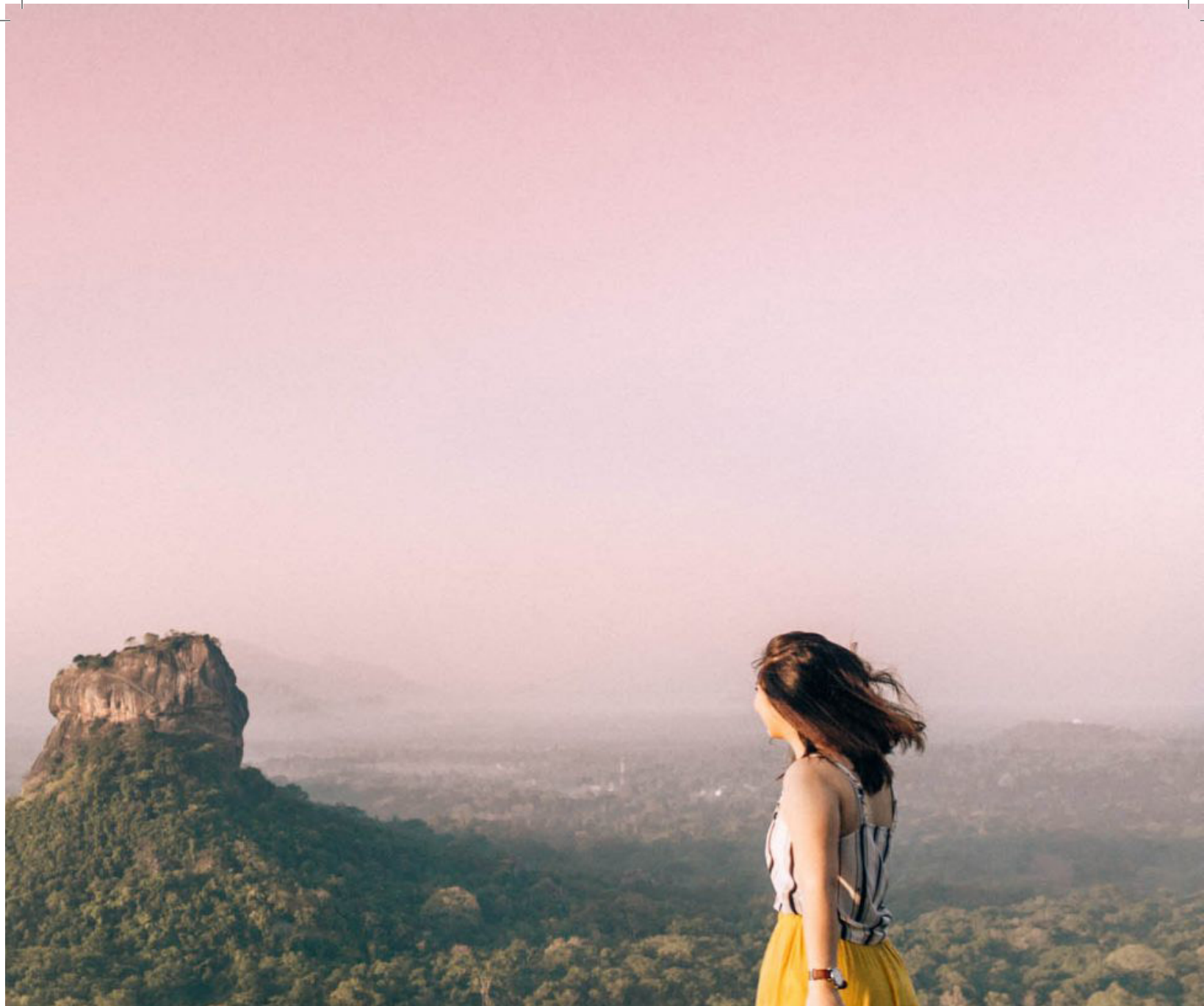
REGAINING TOURISM IN NEW NORMAL SCENARIO:

INTRODUCING THE TOURISM LOGISTICS CONCEPT



PROF (DR) LALITH EDIRISINGHE

Tourism sector contributes a considerable share to the GDP in many countries. The impact of Covid pandemic to this industry is plainly visible when comparing the pre and post pandemic performance. Most concerning point is that the world cannot expect a Covid free world in the current scenario. In other words, the experts need to transform the new normal scenario favorable to the tourism industry. It may need innovative thinking based on theory. This paper makes a conceptual approach regarding the future of travel and tourism industry from the logistics perspectives taking the current Covid pandemic as an important turning point.



THE NEW NORMAL

A new normal is a state to which an economy, society, etc. settles following a crisis. When it differs from the situation that prevailed prior to the start of the crisis it leads to change in the social activities etc. Humans in general, are opposed to changes so does with this new scenario that would come into play. It was reported that the term has been employed in relation to World War I and II, September 11 attacks, financial crisis of 2007–2008, the aftermath of the 2008–2012 global recession, and now the COVID-19 pandemic. The latest has caused a massive change to our daily lives, and do not know how long it will continue. Changes have happened rapidly and abruptly, and no country was able to be free from its impact. Education has been severely affected and its repercussions are yet to be realized. People are compelled to wait and see without any solution to their problems whatsoever. While getting isolated from the society you like to live with, a lot of people struggle to find a distraction-free space at home that is conducive to do productive and effective work. Indefinite delays to the lifelong plans, social isolation, financial constraints and other unexpected situation caused depression for many. Travel and tourism sector has been one of worst hit industry due to the Covid pandemic and even the recovery seems very challenging.



TRAVEL AND TOURISM

All tourists are travelers, but not all travelers are tourists (Hasa, 2016). The words, travel and tourism are commonly used interchangeably. However, each of these words has specific meanings (Edirisinghe, Silva, & Siriwardena, 2021). When people spend few days for leisure and experience new environment, foods a new location, it is called tourism. Further, peoples' travelling activities based on purposes such as business or pleasure and stay in their destination for at least one night, and then returning is considered as tourism industry.

The purpose of their trip can be for business, leisure, or personal reasons, other than to be employed by a resident entity in the country or place visited (Visitbritain.org, 2021). Britannica Dictionary defines tourism, as the act and process of spending time away from home in pursuit of recreation, relaxation, and pleasure, while making use of the commercial provision of services. It generally refers to the activity of going on a long journey. By contrast, the travel industry has a wider scope. It covers specific and more travel purposes and durations. As tourism refers to the activity of traveling to a place mainly for leisure, the person

we called a tourist may stay at a place for several days to achieve many objectives including to work, study, see places, explore cultures and cuisines, attend family, variety of pleasure etc. The United Nations World Tourism Organization (UNWTO) defines tourists as people who "travel to and stay in places outside their usual environment for more than twenty-four (24) hours and not more than one consecutive year for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited" (UNWTO, 2021). Travel means to make a journey by an individual's movement between two points, not essentially a long journey. Simply put it, going to the supermarket to buy some weekly essentials it is not termed as traveling. Tourism is a product of modern social arrangements, beginning in western Europe in the 17th century, although it has antecedents in Classical antiquity (Walton, 2021). According to the UNWTO, tourism entails the movement of people to countries or places outside their usual environment for personal or business/professional purposes. From last few years, there has been a great surge in international tourism, culminates to 7% share of World's total exports

in 2016 (Rasool, Maqbool, & Tarique, 2021). For the world's forty poorest countries, tourism is the second-most important source of foreign exchange after oil (Rasool, Maqbool, & Tarique, 2021). While an explicit relationship cannot be found in the below table from the face of it (it may need descriptive statistical analysis beyond the simple percentage comparison), tourist attraction (Most Visited countries), Travel & Tourism Competitiveness Index (TCI), and Logistics Performance Index (LPI) show some relevance between their world rankings. For example, ten (10) countries out of top twenty tourist performers are among the top twenty logistics performers as well. Eight (08) are within top fifty logistics performers out of 160 countries according the Connecting to Compete report published by the World Bank. Accordingly, only two countries namely, Russia and Mexico are within top twenty most visited country while their LPI ranks are 85 and 53. This paradox may be due to other factors such as land area and being a land locked country etc. For example, Russia is the biggest country by total land area while Mexico is the 14th (Worldometers, 2021). This provides an insight about the impact of logistics in tourism.

Top twenty Tourist Countries and Number of visitors (In ML)	Most Visited countries World Ranking	Out of 140 countries	Out of 160 countries
		Travel & Tourism Competitiveness Index (TCI)	Logistics Performance Index (LPI)
1. France — 89.4	1	2	15
2. Spain — 82.7	2	1	18
3. United States — 79.6	3	5	10
4. China — 62.9	4	13	27
5. Italy — 62.1	5	8	21
6. Turkey — 45.7	6	43	37
7. Mexico — 41.4	7	19	53
8. Germany — 38.8	8	3	1
9. Thailand — 38.2	9	31	34
10. United Kingdom — 36.3	10	6	6
11. Japan — 31.1	11	4	7
12. Austria — 30.8	12	11	8
13. Greece — 30.1	13	25	44
14. Hong Kong — 29.2	14	14	9
15. Malaysia — 25.8	15	29	35
16. Russia — 24.5	16	39	85
17. Portugal — 22.8	17	12	28
18. Canada — 21.1	18	9	17
19. Poland — 19.6	19	42	31
20. Netherlands — 19	20	15	2

Table 01: Comparison of tourism performance, tourism competitiveness and logistics performance
Sources: (Poirot , 2021); (WEF, 2019); (Arvis, et al., 2018)

TOURISM FROM MARKETING PERSPECTIVE

Tourism is well suited in the supply chain because the product, service or experience that is consumed is assembled and comprises a wide range of suppliers (University of Pretroria). The supply of tourism products basically involves how various components of the tourist product are placed at the disposal of tourists. For example, a car manufacturer may assemble hundreds of different parts to manufacture a car. Until all components are fixed to make it a complete product it will not be made available at the showroom. Once it is in the showroom the customer takes the buying decision after verifying all tangible parts are intact. However, neither the service provider nor the

customer in tourism industry have such assurance before the product is being offered/consumed. Therefore, in commercial perspectives, there is an increasing concern about logistics in tourist services. Logistics performance is based largely on reliable supply chains and predictable service delivery for traders. Global supply chains are becoming more and more complex (Arvis, et al., 2018). Logistics is, in a very wider meaning, the detailed organization and implementation of a complex operation. Tourism is undoubtedly a highly complex industry thus incorporating logistics in this operation has a strategic importance. Improved logistics systems helps to

cater to the customers' needs and wants as explained under the marketing theory in previous chapter. Logistics ensures greater output strategically derived from minimum resources. The integration of tourism logistics enables to always deliver best services and delight the tourists. On the other hand, using minimum input resources in the process of producing the tourism services (product offer) will reduce the cost-of-service provider. It is a win-win situation,

Logistics, in business terms, is the management of the flow of things between the point of origin and the point of consumption to meet the requirements of customers or corporations. Considering above explanation about marketing the tourism industry, delivery of products and services demanded by the customer in compliance with his/her interests and requirements needs strong foundation of very effective and efficient logistics system (Edirisinghe, Silva, & Siriwardena, 2021). In military operations logistics make

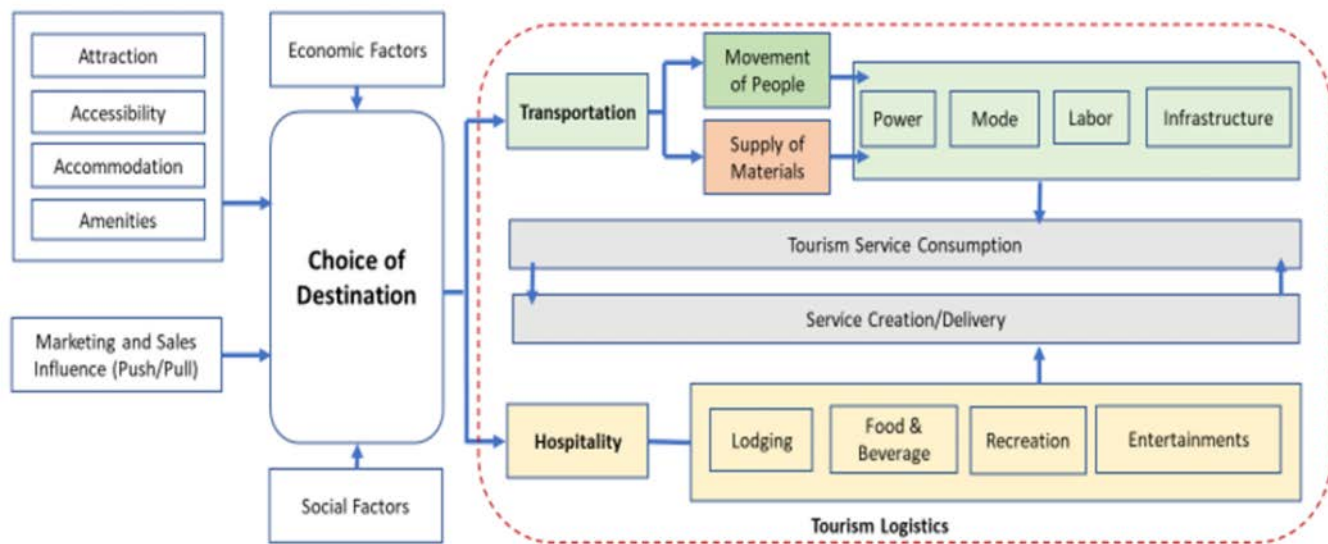


Fig.03: The Conceptual Model of Tourism Logistics (Source: (Edirisinghe, Silva, & Siriwardena, 2021)

an indispensable contribution to win a war. According to Professor J.B. Dissanayake, logistics is the way to do something right. Provide directions to implement large, difficult, and complex project. There are few alternative words used for this. Methods, task organization, methodology, strategy, performance, process are interchangeably used to explain the purpose of logistics (Edirisinghe, 2021). All these words express the meaning of managing complex and difficult tasks strategically. The tourism business deals with many service providers to deliver its products to respective consumers more effectively and efficiently. This is only possible when the logistics nodes in the physical supply chain are managed strategically.

CONCEPTUAL APPROACH IN TOURISM LOGISTICS

Logistics plays a role in every trade, business, field, operation etc. Mostly, the contribution of logistics is implicit and unnoticed. Many people realized the indispensable nature of logistics only when the shelves in supermarkets were seen empty. It has several connotations and subtle nuances of meaning when applied to commercial and economic activities. In commercial terms,

logistics is explained as the strategic management of the flow of goods and services from the production floor to the consumers. Tourism logistics may refer to the science of planning, control and management of activities pertaining to travel and tourism (Kochadze, Dangadze, & Zaqareish, 2013). Logistics presence is seen in every node in the tourism supply chain too as in any other supply chain. It is a common factor that transport, manufacturing, and warehousing (TMW) are key drivers in logistics. The acquired meaning of logistics in the commercial world is ambiguous. It mainly refers to cargo movement, but its original meaning is more wider and comprehensive. The word 'logistics' is derived from *logistique* in French and from *loger* to lodge in the 19th century. It was originally used in the military. Later it was borrowed by the commercial philosophers as the business of managing warehousing, manufacturing and delivering goods.

Accordingly, it entails two key functions namely, transportation and warehousing in which the supply network works in a sequence of processes, including procurement, production and distribution of goods and services. As explained elsewhere, the nodes in tourism supply chain are very crucial in providing the overall service. For

example, on one side the passenger transport needs to function efficiently while hospitality services should actively contribute and complement the service promise given by the tourism service provider.

Logistics Sinhala book introduces four transport fundamentals namely, power, mode, labor, and infrastructure. The movement of people and supply of materials requires efficient transport system. These components need to be carefully evaluated regarding the tourism sector and the importance of each node should be evaluated. Hospitality sector that include lodging, food and beverage, recreation, and entertainments also depends on logistics in their respective activities. This conceptual approach is more critical in the current scenario. All transport modes are faced with many challenges due to Covid 19 pandemic. Managing supply of materials and passenger movements in a prearrange schedule (highly time bound) has become almost impossible. Therefore, identifying solutions for problems in tourism sector in the new normal scenario (NNS) from logistics perspectives will help all stakeholders to regain their regular business. Logistics is the most indispensable factor to win wars. Overcoming and fighting the challenges created by covid-19 may need more strategies than fighting a war

THE WAY FORWARD FOR TOURISM

Health authorities warn about new varieties of virus every other week despite huge vaccination efforts. Therefore, identifying the challenges and recommending way forward in the NNS from tourism perspectives is vital (Edirisinghe, Silva, & Siriwardena, 2021). In a post-COVID-19 period, the global logistics market size is estimated to increase due to an increase in the supply of essential commodities, and supply chain stabilization initiatives. It would help regain the tourism sector greatly.

"A lot of firsts are happening" according to Harvard experts. "It's even easy to reduce road congestion if you just sabotage the local economy." (Powell, 2020) NNS changed the economic approach of every country especially those of at developing stage. Globally,

we have been experiencing a shift from supply chain management to supply network management (SNM). People cannot wait or depend only on one service provider sometimes. A supply chain involves a series of steps arranged in a standard frequency to get a product or service to the customer. If one step is delayed unexpectedly all the subsequent steps will be delayed. Therefore, the third generation of logistics management is now in operation. The supply network resolves such delays that may cause in between. The global supply network should find ways and means to cater to the needs and wants of tourism consumers throughout the world in the NNS. This cannot be done without efficient and effective foundation of logistics management.

New problem is an opportunity for a new business. Even in existing businesses, rather than seeing

problems as burdensome forces of opposition, entrepreneurs see problems as opportunities to learn, grow, improve, or adjust in a way that leaves the business better off than before the problem existed. Tourism sector is badly hit due to covid 19 pandemic as it left its footprint all over the world and it is the mostly impacted business as well until to date. Jobs related to tourism in Sri Lanka alone declined by 24 percent from 2019 to 2020. Change in GDP in travel and tourism has been over 55 percent during this period. Cruise tourism provides a good bio bubble to its travelers. The more the distance and duration is long between origin and destination it is easy to maintain the bio bubble. Even in shore visits in transit could be organized maintain the same bio bubble as the multimodal transport can be minimized. Traveler usage of common terminal such as airports, train and bus terminals can be avoided.

References

- Arvis, J.-F., Ojala, L., Wiederer, C., Shepherd, B., Raj, A., Dairabayeva, K., & Kiiski, T. (2018). *Connecting to Compete*. Washington, DC: The International Bank for Reconstruction and Development/The World Bank.
- BTMC. (2021, 11 2). *Tourism System: Components, Elements and Models*. Retrieved from <https://egyankosh.ac.in: https://egyankosh.ac.in/bitstream/123456789/67180/3/Unit-6.pdf>
- Constantin, M., Saxon, S., & Yu, J. (2020, 8 5). *Reimagining the \$9 trillion tourism economy-what will it take?* Retrieved from www.mckinsey.com: https://www.mckinsey.com/industries/travel-logistics-and-infrastructure/our-insights/reimagining-the-9-trillion-tourism-economy-what-will-it-take
- Dalrymple, M., Mann, R., Peters, M., & Seitzma, N. (2021, 6 15). *Make it better, not just safer: The opportunity to reinvent travel*. Retrieved from www.mckinsey.com: https://www.mckinsey.com/industries/travel-logistics-and-infrastructure/our-insights/make-it-better-not-just-safer-the-opportunity-to-reinvent-travel
- Edirisinghe, L. (2021). *Logistics Sinhalese*. Malabe: CINEC Campus.
- Edirisinghe, L., Silva, D., & Siriwardena, S. (2021). *The future of Travel Business: A Conceptual Approach through Tourism Logistics Perspectives*. International Conference Tourism and Innovation: The Future of Travel Business, Entrepreneurship, and Employment. Bangalore: Garden City University.
- Hasa. (2016, 6 30). *Difference Between Travel and Tourism*. Retrieved from <https://pediaa.com: https://pediaa.com/difference-between-travel-and-tourism/>
- Infosys BPM. (2021, 11 1). *SOURCING AND PROCUREMENT*. Retrieved from www.infosysbpm.com: https://www.infosysbpm.com/blogs/sourcing-procurement/5-trends-reshaping-the-future-of-travel-amidst-covid-19.html
- Kochadze, T., Dangadze, I., & Zaqareish, V. (2013). *The Role of Logistics in the Market for Transportation and Tourist Services*. *Machines, Technologies Materials*.
- Pfirsch, D. (2021, 9 10). *Op-ed: The future of travel ± an all-hands-on-deck effort*. Retrieved from www.agoda.com: https://www.agoda.com/press/op-ed-the-future-of-travel?cid=1844104
- Poirot, L. (2021, 8 15). *20 Most-Visited Countries in the World*. Retrieved from www.farandwide.com: https://www.farandwide.com/s/most-visited-countries-792c34d8901f4bc9
- Powell, A. (2020, 11 24). *Outbreak forced changes big and small, some of which are here to stay*. Retrieved from <https://news.harvard.edu: https://news.harvard.edu/gazette/story/2020/11/our-post-pandemic-world-and-whats-likely-to-hang-round/>
- Rasool, H., Maqbool, S., & Tarique, M. (2021). *The relationship between tourism and economic growth among BRICS countries: a panel cointegration analysis*. *Future Business Journal*.
- Revfine. (2021, 11 4). Retrieved from www.revfine.com: https://www.revfine.com/tourism-industry/
- Traveldailynews. (2021, 6 2). *The future of travel and tourism in the world*. Retrieved from www.traveldailynews.com: https://www.traveldailynews.com/post/the-future-of-travel-and-tourism-in-the-world
- University of Pretoria. (n.d.). Retrieved from <https://repository.up.ac.za: https://repository.up.ac.za/bitstream/handle/2263/24684/02chapters3-4.pdf?sequence=3>
- UNWTO. (2021, 11 2). *United Nations World Tourism Organization*. Retrieved from www.unwto.org: https://www.unwto.org/
- UNWTO. (2021, 11 2). *UNWTO*. Retrieved from www.unwto.org: https://www.unwto.org/
- Visitbritain.org. (2021, 11 3). *Introduction to tourism*. Retrieved from www.visitbritain.org: https://www.visitbritain.org/introduction-tourism
- Walton, J. (2021, 9 28). *tourism*. Retrieved from www.britannica.com: https://www.britannica.com/topic/tourism
- WEF. (2019). *Travel & Tourism Competitiveness Index*. Geneva: World Economic Forum.
- Westcott, M., & Anderson, W. (2021, 11 3). *INTRODUCTION TO TOURISM AND HOSPITALITY IN BC ± 2ND EDITION*. Retrieved from <https://opentextbc.ca: https://opentextbc.ca/introtourism2e/chapter/what-is-tourism/>
- Worldometers. (2021, 11 16). *Largest Countries in the World (by area)*. Retrieved from www.worldometers.info: https://www.worldometers.info/geography/largest-countries-in-the-world/



LNG

BUNKERING

THE FUTURE ENERGY FOR PROPULSION



BY CAPTAIN CHANDRA GODAKANDA ARACHCHI

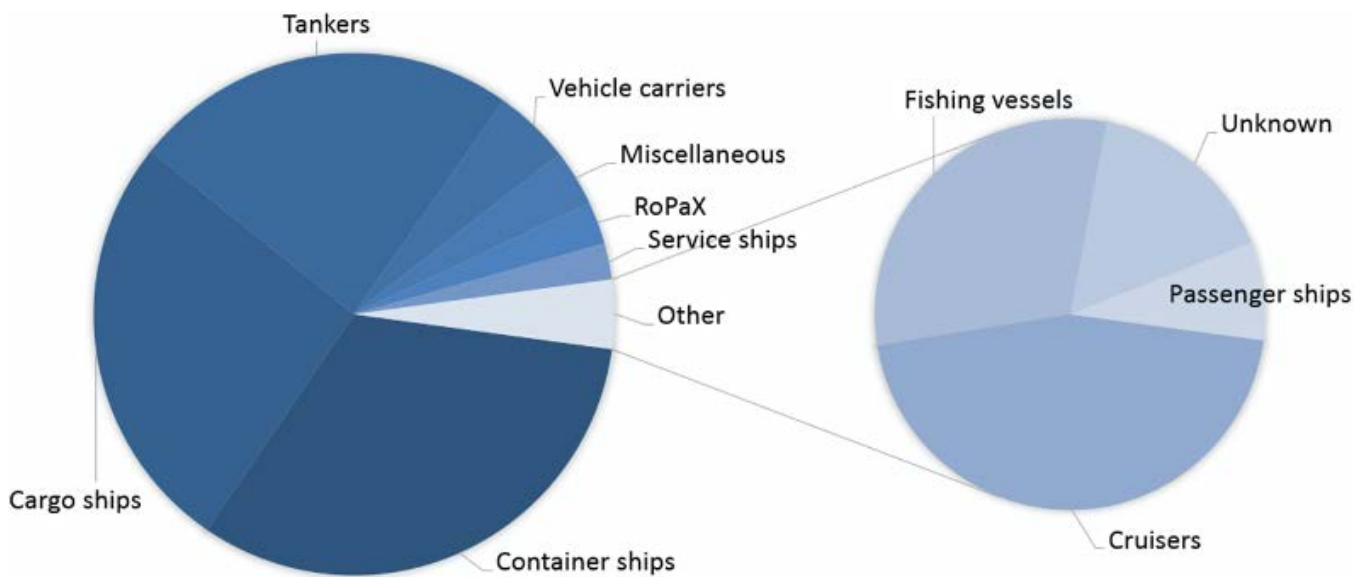
About the author: Product of Mahinda College, Galle, Chandra is a Master Mariner, commenced as a Cadet Officer with Ceylon Shipping Corporation in 1975. Commanded ships at the age of 28 years, one of the first Mooring Masters for Petroleum Corporation prior becoming a Marine Pilot for Port of Colombo (SLPA). Migrated to Australia in 1996. Worked as a Marine Surveyor for oil and gas (Operations Manager) for Caleb Brett until 2005. Chandra joined Gladstone LNG in 2005. Worked as a Marine Superintendent for LNG Loading at the beginning of LNG exports prior returning to back to Brisbane as Production Controller, Gladstone LNG, continue to work. A Gold Medal winner for Chief Officer examination in India in 1982. Chandra is also a Permit Authority (oil and gas,) trained Safety Systems Auditor (Oil and gas) and Taproot incident investigator, Santos GLNG Australia. Nearly 28 years of operational experience in oil and gas. Three runs short 50 years of working yet at the crease confidently batting !! Hobbies reading, writing, watching any sports particularly Rugby!!



It's no secret that shipping is the backbone of global transport with ships carrying over 80% of global cargo around the world consequently a significant percentage (over 8%) of global oil production being consumed as bunker fuel oil thus shipping contributing the highest in global emission which certainly not music to the ears of environmentalists and global community. Emissions by shipping in comparison to the share of global transport is acceptable as efficient though International Maritime Organisation (IMO) quite rightly commenced playing a role in the effort

of reducing harmful emissions by ships. Therefore IMO bunker fuel regulations 2020 came into force from 01st January 2020 which requires bunker fuel to contain not more than 0.5 % m/m Sulphur. That's not the end of the effort as there will be more and more stringent targets on further reduction. Therefore, following emission targets were further included.

- Any new ships-built post 2025 must have 30% more energy efficient than ships built in 2014
- Targets have been set up to reduce Carbon intensity by 40% in 2030 or



earlier and 70% reduction by 2050, both taking the benchmark as at 2008 levels

Natural gas make up is generally more than 85% of Methane (Coal Seam Gas in Queensland Australia contains approximately 98% of Methane) and Ethane, Propane, Butane and very small percentage of inert gas (Nitrogen and Carbon Dioxide) which is considered as one of the cleanest of fossil fuels available. Emissions from natural gas includes Nitrogen Oxide, Carbon Monoxide, Carbon Dioxide and a trace of Sulphur Dioxide. What is important to note here is significant reduction in Sulphur Dioxide emission (only a trace). Liquefied Natural Gas (LNG) then emerging to be a front runner as a viable solution to achieve set emission targets.

It is interesting to note (refer to the chart below - Global CO2 emissions by various types of ships - 2015) the global emission by container ships is leading in terms of highest CO2 emission percentage followed by cargo ships and tankers which is a direct comparison of Sulphur Dioxide emission. As such it is likely that new container ships will in near future will be fuelled by natural gas. Then comes down to the question of "Has Colombo port got plans to develop LNG bunker infrastructure?", if not Colombo should get to the drawing board sooner than later. On slightly a different topic though connected to LNG bunkering, Colombo has been talking about natural gas

fired (Duel cycle) power plants for a considerable period of time, means it highlight the importance of Shipping and Energy big wigs talking to each other well in advance to up plans for LNG infrastructure as well in order to have a win-win situation for both shipping and energy industries. It is quite prudent to have a combined "Shipping and Energy Policy" on medium and long term. Basis. The point further emphasises as our own SPBM is aging, the only link in the supply chain to deliver crude oil to Sapugaskanda. As the world is more and more talk about clean and renewable energy though this element of power is not without it's own challenges such as reliability, power storage for dark hours, on-going cost in maintenance of solar panels and environmental concerns of disposing aged panels etc. In this backdrop LNG is a viable cleaner energy option, then let's talk about the nitty gritty of LNG and LNG bunkering.

WHAT IS LNG

As described earlier natural gas (NG) mainly consists of Methane. There are different types of natural gas, the type depends on where it's originated from, mainly Shale gas and Coal Seam Gas, Shale gas is originated from underground Shale rock, sometimes referred to as "unconventional gas" as shale gas is found in less permeable rock whereas Coal Seam Gas (CSG) is extracted from underground Coal

seams. Common to both types is both gas found in underground rocks millions of years old formed due to decomposition organic material, wells drilled over 1500 meters underground. End product required for the use in any ship engine or power plant turbine is natural gas (NG) at ambient temperature. Then why is LNG?. It is impossible to store and / or transport NG in huge quantities across seas and in other mode of transport. NG has a boiling point (boiling point is the temperature at which phase change takes place from liquid to gas or vice versa or evaporate in simple term) of negative 162 Celsius. As can be seen it is impracticable to transport NG in it's natural form, therefore in order for transport purposes, the NG is cooled until the phase change takes place so that liquid can be pumped to storage tank then to a tanker for transportation across seas, generally 600 volume unit of NG becomes one unit of LNG volume. Density of LNG as a rule of thumb can be taken as half of the value of water density.

Major Hazards unique to LNG (in addition to hazards present in normal conventional hydrocarbon products)

CRYOGENIC LIQUID

Boiling point of LNG is approximately negative 162 C, back end of LNG process produce liquid at negative 162 C. There are few major hazards associated with cryogenic liquid. Due

to the nature of the liquid in terms of being extreme cold, LNG coming into contact with the skin can seriously burn the skin similar to thermal burns and frostbite is likely. Prolonged exposure to cold air inhalation can cause damage to lung tissues too. Apart from health issues, cryogenic liquid can make the steel brittle. All associated pipework and tanks are made with rated steel to withstand cryogenic liquid.

EXTREMELY LOW TEMPERATURE PIPEWORK

Pipework associated with LNG transfer is always very cold, always with ice built up having similar hazards as cryogenic liquid.

LNG AT BOILING TEMPERATURE

LNG is transferred always closer to boiling point, means likelihood of pressure build up within pipework and tanks if subjected to any undue heat. Liquid has to continue to move if not moving the pressure can build up quickly.

OXYGEN IN EMPTY ARMS, HOSES

LNG is generally safe being closer to the boiling point though all bases must be covered not to have any Oxygen in arms and hoses to prevent forming a flammable mixture.

ASPHYXIATION

Natural gas has a high content of Methane (CH4) generally over 97% NG produced in Queensland Australia, means no Oxygen to breath should a leak occurred in a confined space which

100 PERCENT METHANE SATURATED PROPERTIES

Liquid Temperature		Vapor Pressure (Boiling Pressure)		Saturated Liquid Density		Average Density	
°C	°F	bar (gauge)	psi (gauge)	kg/m ³	lb/ft ³	kg/m ³	lb/ft ³
-166	-266.8	-0.33	-4.74	420.4	26.24	1.3	0.08
-164	-263.2	-0.19	-2.82	417.6	26.07	1.5	0.10
-162	-259.6	-0.04	-0.62	414.8	25.89	1.8	0.11
-160	-256.0	0.13	1.87	412.0	25.72	2.1	0.13
-158	-252.4	0.32	4.69	409.2	25.54	2.4	0.15
-156	-248.8	0.54	7.86	406.4	25.37	2.7	0.17
-154	-245.2	0.79	11.40	403.6	25.19	3.1	0.19
-152	-241.6	1.06	15.33	400.8	25.02	3.5	0.22
-150	-238.0	1.36	19.68	398.0	24.85	3.9	0.25
-148	-234.4	1.69	24.47	395.2	24.67	4.4	0.28
-146	-230.8	2.05	29.73	392.4	24.50	4.9	0.31
-144	-227.2	2.45	35.47	389.6	24.32	5.5	0.34
-142	-223.6	2.88	41.73	386.8	24.15	6.1	0.38
-140	-220.0	3.35	48.53	384.0	23.97	6.8	0.42
-138	-216.4	3.85	55.88	381.2	23.80	7.5	0.47
-136	-212.8	4.40	63.82	378.4	23.62	8.2	0.51
-134	-209.2	4.99	72.36	375.6	23.45	9.0	0.56
-132	-205.6	5.62	81.53	372.8	23.27	9.8	0.61
-130	-202.0	6.30	91.36	370.0	23.10	10.7	0.67
-128	-198.4	7.02	101.87	367.2	22.93	11.7	0.73
-126	-194.8	7.80	113.07	364.4	22.75	12.7	0.79
-124	-191.2	8.62	125.00	361.6	22.58	13.8	0.86
-122	-187.6	9.49	137.68	358.8	22.40	14.9	0.93
-120	-184.0	10.42	151.13	356.0	22.23	16.1	1.00

can cause asphyxiation pretty quickly.

MITIGATION

- Awareness of the risks associated when handling LNG, be familiar with SDS (safety data sheets), Risk assess, control risks (or follow the procedures), proper PPE and right gear for the right job (LNG rated hoses etc) at all times
- Restricted vehicle access
- Ship / shore communication / instrumentation link connected (for ESD etc)
- Familiar with emergency response plans
- Agreed ship / shore check lists
- Mooring ropes at right tension to prevent movement.
- LNG is usually very safe though extra control measure are required to ensure safety. Purging of arms / hoses before commence the transfer until the Oxygen content is below 3%. This will ensure all arms, hoses and tanks are well below flammable range
- It is imperative to commence the transfer should pipework is warm as it is extremely important to reduce pipework and tank temperatures only at the recommended rate if not pipework and tank brittle fracture can occur resulting in severe structural damage. (any pipework and tanks subject to extreme low temperatures are built with stainless steel or similar to withstand extreme low temperatures though it's extremely important to follow recommended rates and slow initial transfer).
- Water curtain to be operational on shipside (manifold side of the connection) to reduce the impact on steel work should there be a leak / spray of LNG onto shipside. This will wash off LNG quickly into water minimising the impact on shipside steel work due to extreme cold temperatures.
- Any drip trays made out of suitable quality steel to withstand LNG dripping etc.
- As LNG is handled nearly at boiling point (negative 162 Celsius), it will form a flammable vapour cloud should there be LNG unplanned

LNG release. This can lead to an explosion particularly within an enclosed space should it finds an ignition source (Methane is flammable between 5.3% and 14% by volume in air). A gas cloud can form even in open air depending on the amount of LNG released and wind conditions. Gas cloud may dissipate quickly in strong wind conditions from right direction. Gas clouds can drift slowly to a certain distance depending on weather conditions. Whatever the case may be it is extremely important to manage the area without any ignition sources throughout the transfer, regular gas testing and no unauthorised entry into the area. It is also important to have continuous gas testing (with calibrated gas detectors and bump tested).

- Standardised connection used
- Periodic inspection and testing of equipment
- Periodic certification of hoses
- It is important to maintain all hoses / arms including vapour returns, associated valves, pipework, seals, PRVs (Pressure relief valves) etc in good condition. PRVs must be tested as required intervals.
- Asphyxiation can occur particularly in an enclosed area should there be an unplanned LNG release, preparation of LNG transfer procedure, a risk assessment done with the work party and following the procedure is important.

Emergency Shut Down (ESDs) Associated with LNG Transfers (need regular testing and confirmation as required)

- High level in receiving tank
- Low level in Terminal tank
- Presence of flammable vapour (usually two gas detectors will have to activate out of three).
- Presence of fire (Flame detectors) -
- Low temperatures indicating cryogenic spill
- Manual activation of ESD

ESD ACTIVATION WILL

- Shut down transfer pumps

- Shut ESD valves on shoreside as well as on shipside.
- Disconnection of breaking coupling / release depending on the emergency

LNG TRANSFER

OTHER IMPORTANT CONSIDERATIONS FOR LNG TRANSFER

BUNKERING / LOADING TEMPERATURE

LNG is usually transferred closer to atmospheric pressure and approximately at negative 162 C. Density of the receiving LNG is reduced if the loading / delivering temperature (delivery source) is greater than the receiving tank temperature means more ullage is required to receive the intended quantity. Also the vapour pressure of the receiving tank will rise and PRV will open releasing the pressure should the vapour pressure rises above the set pressure of Pressure Relief Valve (PRV).

REFERENCE TEMPERATURE

If the receiving tank temperature is higher, LNG volume will increase thereby reducing the available vapour space thus increasing vapour pressure. Reference temperature of LNG is the corresponding temperature at which pressure (Set point of PRV) the PRV will open releasing saturated vapour pressure, could happen should the receiving tank temperature is higher. PRV pressure SP is important in calculating the ullage available for receiving.

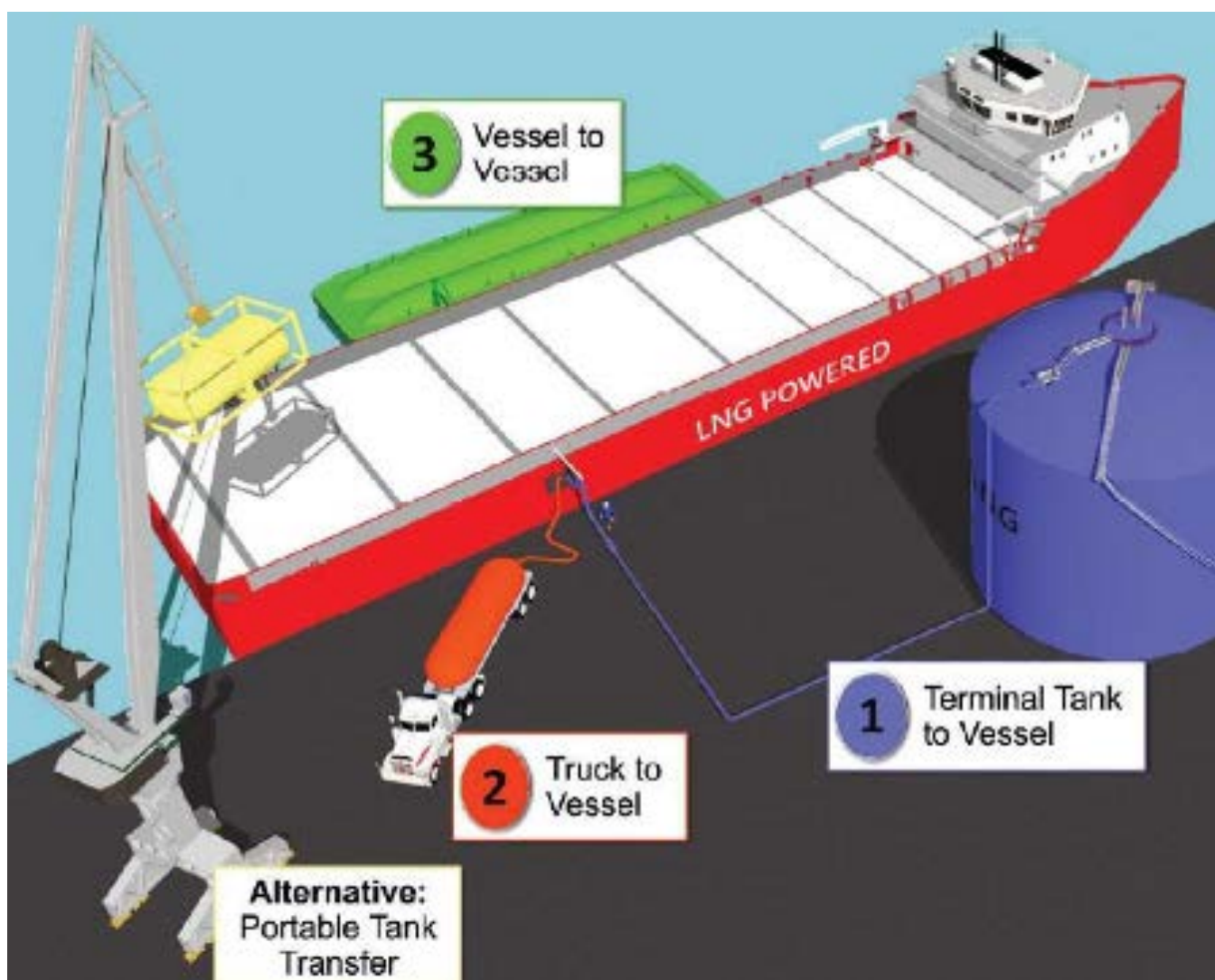
ROLLOVER

If there is a temperature difference between the delivery and receiving tanks, the one with lower temperature will have a higher density and vice versa. LNG with the higher density will settle towards the bottom. LNG towards the bottom will continue to rise in temperature due to outside heating thus creating vapour. Mixing of LNG will occur if there is movement of the vessel however in the absence of movement vapour in the bottom might rise to the top rapidly creating sudden rise in vapour pressure consequently lifting

PRVs and releasing vapour pressure. The stratification can be avoided either using top or bottom line for loading depending on densities to mix with the heel (Heel- LNG remaining in tank prior to receive).

If the receiving tank is completely empty, it is important to inert the tank completely with Nitrogen or similar prior introducing warm gas to displace inert gas. This is the process inert gas is replaced with warm gas initially which is called gassing up.

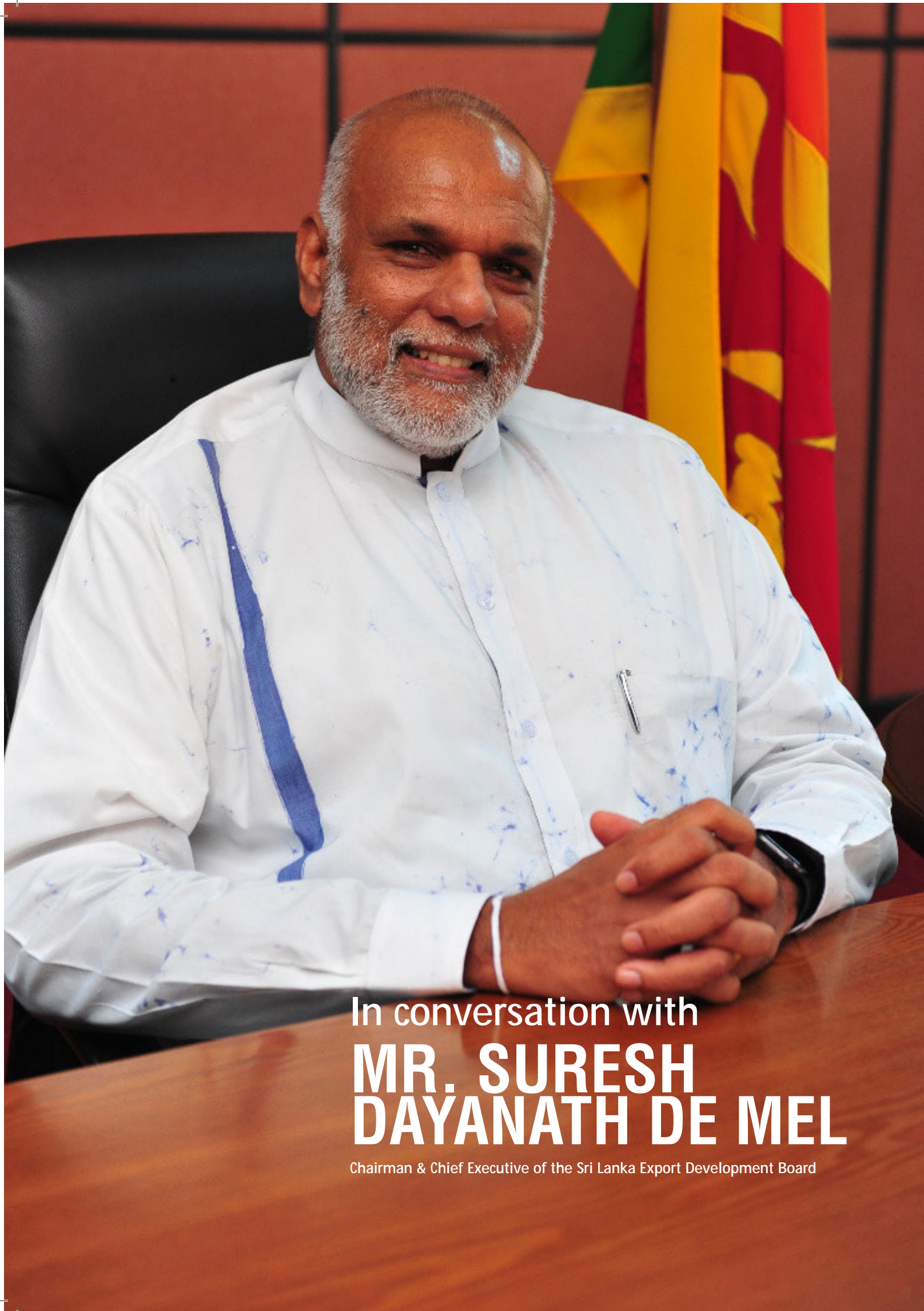
LNG transfer can then commence upon completing necessary check lists, arm / hose connections, completion of check lists, ship/shore/terminal/ other source in agreement with the procedure, communications, relevant ESD details etc. Then arms/ line and tank cooling can begin at a slow rate, on confirmation the flow rate can be increased. Comparison of received and delivered regularly during the transfer is important to ensure delivery of correct quantities. As mentioned earlier it is important to follow the procedure.



Note:

This article covers only aspects unique to LNG transfer not fully covered common aspects to hydrocarbon transfer.

Loading on Membrane LNG Tankers for sea transport - Tank vapour pressure is an important parameter to look for. Should not exceed the maximum vapor pressure (usually 70 to 100 Kpag) to prevent tank membrane damage. Vapour is returned by vapour return line though should the pressure rise, usually controlled by logic (PID Loop) sending excess vapour to generators as fuel gas when the pressure rises is above set pressure. Generators power propulsion motors with propeller connected via a gear box to reduce to required RPM.



In conversation with
**MR. SURESH
DAYANATH DE MEL**

Chairman & Chief Executive of the Sri Lanka Export Development Board

Introduction

2021 will be a year of reinvention for all business ventures with Entrepreneurship becoming the buzz word when dealing with the new normality. In line with that, entrepreneurial instincts are encouraged more than ever before in history and media is filled with different discussions on the matter. The Entrepreneurial journey comprises of many challenges and success is not as easy as portrayed by media. Turning one's entrepreneurial dream into reality is considered the biggest challenge at the initial phase and having a "can do" attitude is the key! There is no one formula for success and entrepreneurial journeys are full of ups and downs, challenges and opportunities.

When exploring successful entrepreneurs in the domestic context we met Mr. Suresh Dayanath de Mel who has clinched recognition in the international market as a pioneering manufacturer of signature, hand tied fishing flies (artificial sportfishing bait).

Background

Suresh has a diversified profile and counts over three decades of experience as an entrepreneur. He owns and operates Lanka Fishing Flies (Pvt) Ltd., and Sportfishing Lanka. He is also the Chairman of EcoWave (Gte) Ltd., a social enterprise that partners with 300-home gardens to process and export "Organic Certified", Single Origin Spices to discerning customers around the world. Suresh also contributes to the development of entrepreneurship in the country by promoting Entrepreneurial Ecosystem Building as the Head of the Global Entrepreneurship Network in Sri Lanka. He is actively involved in many business ventures in advisory and decision-making capacities. He also volunteers on various Committees, Government, non-Government, local and Global for

Sustainable Development, Ecological Agriculture, Responsible Tourism, Skills Development, Labor Relations and Business for Peace. Currently, he is the Chairman & Chief Executive of the Sri Lanka Export Development Board (EDB) and engages in uplifting the export business of the country when international trading faces many challenges due to the global pandemic situation.

This multi-faceted entrepreneur is an agricultural and environmental engineer by profession and a nature lover, and a farmer

who tries to apply modern technology for ecological farming, and a person who is passionately supporting the development of youth entrepreneurship and Small and Medium Enterprise

(SME) development in the country.

His keen interest in developing local skills to cater to the global market helped him to develop a local business to gain recognition in the global market; producing arguably the world's best, custom designed, fishing flies which are exported worldwide under the brand Umpqua. Many local accolades won by him as an entrepreneur showcase the recognition he received for his commitment, and the contribution he has made in developing a successful, pioneering enterprise to cater to a high value, global niche market. For three decades, he has also been actively operating in and promoting aquatic recreation, sports fishing, scuba diving and leisure boating in Sri Lanka.



Business Profile

The idea started back in 1980 to manufacture and export high quality fishing flies from Sri Lanka. Today, these fishing flies are exported worldwide under the brand Umpqua. Umpqua is arguably the best and largest producer of high quality, custom designed fishing flies in the world. The business provides employment for more than 200 individuals in Nugegoda, Tangalla, and Ratnapura, Sri Lanka.



How did you start your entrepreneurial journey?

Entrepreneurship is my passion, and my story goes back to the early 80's when I met our American partner at a coffee shop and convinced him to start an industry to hand tie fishing flies in Sri Lanka. In 1981 my father started Lanka Fishing Flies in my bedroom at home in Mirihana on a 51% ownership with American partners of the distribution Company Umpqua who owned 49%. During this time I was going to University in the USA and since then spent much time learning the sport of fly fishing and the business of selling fishing flies, by visiting numerous dealers, and attending Trade Fairs.

I graduated from CalPoly State University California in 1987 as an agricultural and environmental engineer. I returned to Sri Lanka in 1990 with the intention of developing Hi Tech Organic/Ecological Farming in the country. My 12-year stay in the USA also exposed me to the global explosion of the IT industry and I witnessed how fast things were changing with technology.

However, when I returned to Sri Lanka it was an era in which mitigating youth unrest was a priority. Terrorism in the North and the South had taken a heavy

™ in a profit making business, competition is unavoidable, but the way you respond to the competition will decide the sustainability of your business

toll on the country's economy. This is when I realized

that employing and empowering youth, especially in the regions, and earning foreign exchange for the country were the key needs of the day.

Therefore, I took steps to expand the cottage industry that my father was operating manufacturing fishing flies in Mirihana, by setting up a factory in Tangalle. The Hambantota District was considered a "most difficult, post-conflict area" in 1990 and operating an export industry in Tangalle was quite a challenge and unheard of at the time. Travel time from Mirihana to Tangalle was over 6-hours one-way, with lots of traffic and poor road conditions. Today

it takes only two hours on the Southern Expressway.

Soon after setting up in Tangalle, I was invited for a meeting by a group of businesspeople in Hambantota. Subsequently, I was involved with them to form the first District Level Chamber of Commerce in Sri Lanka, in Hambantota. Within ten years we inspired the formation of over twenty Regional Chambers of Commerce around the country. In 2002 we spearheaded the formation of the Business for Peace Alliance (BPA) which was a network of Regional Chambers of Commerce for National Unity - Conflict Transformation, Reconciliation, Regional Empowerment

™ In business, I believe teams win, not individuals. Therefore, engagement with your team is important

and Corporate Social Responsibility. For ten years and through the end of the Northern conflict, the BPA was very dynamic and hosted many events and projects to build peace, educate youth on entrepreneurship and create a Bottom-up Platform and Voice for Regional SME's.

How would you like to describe entrepreneurship?

You may find many definitions in textbooks related to "Entrepreneurship". However, I believe an entrepreneur is a person who should find new ways of doing business, a person who takes risks and offers a solution for a need in society, a person who comes up with a sustainable business model

instead of following donor funding or Government support. Most importantly, an entrepreneur is a person who brings people together who can add value to the business.

Who inspired you to become an entrepreneur without seeking employment soon after graduating? Any family background?

I believe I inherited this from my family. My father was a Mechanical and Industrial Engineer by profession but ran industries and agricultural ventures on the side, and my Mother played a major role in managing these

businesses. My maternal Grandfather was a Surgeon but oversaw the running of his coconut estates and poultry farm. My maternal Grandmother was the businesswoman who kept track of sales and marketing. My paternal Grandfather ran various businesses including a Theatre while helping my grandmother who was a leading caterer at that time. As a child I observed how they managed their income, kept books, managed human resources, and most importantly how they made their investment decisions. All these things shaped my approach towards entrepreneurship.

I specially need to highlight the fact that after graduating from the USA as an engineer, my parents never pushed me to engage in a routine job as an engineer. They allowed me to follow





my passions and find my own roots to develop myself. This kind of support is rare nowadays.

Do you believe there is a winning formula for becoming a successful entrepreneur? What is yours?

I don't believe in one universal winning formula which applies to all. However, I do believe that you need to love what you do. To become a successful entrepreneur, it is vital to study the market and to be updated with information on consumer behavior. Also, financial literacy and living within your means, knowledge on technological advancements and changing demographics, managing human resources, good customer relations and a focus on quality products will undoubtedly help in reaching the pinnacle of business success. These have been my priorities.

What was the toughest moment you have

experienced in your business practice? How did you succeed in overcoming it and move forward?

The initial phase of the business was tough. I spent many sleepless nights. My father passed away no sooner I had taken over the business. I was still learning the production side of the business. At the same time, our manager started his own business venture targeting our customer base.

He also took with him half of the trained and skilled workforce. These were some of the best fly tyers in the world. So, I had to negotiate with him and my American partner, to buy his product and to make sure that we continued to produce the highest quality fishing flies and maintained Sri Lanka's reputation as being the country producing the highest quality fishing flies in the world. I am happy to say that we have managed to maintain Sri Lanka's superiority in the market for the entire 40-years we have been in business.

This tough experience taught me that in a profit-making business, competition

is unavoidable, but the way you respond to the competition will decide the sustainability of your business. They say that "the best way to conquer your enemy is to make him your friend". This is a lesson I will always treasure myself and teach to all entrepreneurs I mentor.

Considering the fierce competition in today's business world, how would you highlight your company's competitive advantages? What makes it stand out?

Competitive advantage of my business is the "zero reject" product quality which my father inculcated in the staff from day one, which I have never compromised on since. I always focus on the highest quality possible for my product. I strongly believe that high quality products are sought after by discerning customers who will pay a premium price. And my experience has been that a high-quality product ensures customer loyalty and sustainable business.



The relationships you maintain with your customers are vital in developing your business. When you have a good rapport with your customers, they share their views on ways to improve the product. I know many of my buyers across the world personally, by meeting them at annual trade fairs etc., and the loyalty gained from those relationships have always helped me to face fierce competition in the international market.

How would you scale the advantages and disadvantages of being an entrepreneur?

Being a person who is passionate about entrepreneurship, I never see disadvantages in it. Entrepreneurship

helps me to explore, to be innovative, to accept challenges, and to take risks which are hard to take in routine employment. Having begun my career as a trainee engineer and working in the USA for a leading engineering company for ten years before starting my entrepreneurial journey in Sri Lanka, I feel blessed that I have experienced the best of both worlds. Now I have an opportunity to be a legitimate mentor for entrepreneurs.

What advice would you give to someone starting out?

Based on the wealth of experience gathered over a period of three decades, I would like to share a few insights for young entrepreneurs to focus on.

It is important to focus on producing a high-quality product without focusing on profit alone. If you produce a high-quality product, you will find high quality customers who will pay you a premium price and be loyal to you. Also, be innovative, offer solutions for market needs, differentiate your product, and avoid copying and infringing on others intellectual property. Formalize your start up before you start to scale up. It is very difficult to formalize after being informal for too long. It is vital to be techno savvy which is the driving force in today's business world. Finally, fluency in the English language will open many avenues for the business to grow especially if you're thinking of operating across borders.

How do you manage today's





buzz phrase™ Engaging millennials at work ?

I accept the fact that engaging and retaining employees is a challenging task in today's context. As a country we have a diversified work force who are different in their work behaviors, attitudes and demands.

I have experienced this by working with employees who represent different parts of the country; Colombo, Rathnapura, Tangalla, and Buttala. Each of these employee segments are different from one another.

I always believe that making the work place a happy place is the best possible ploy one can use to retain employees. The new generation does not look for a "job for life," rather they seek employment which identifies their strengths and skills and provide freedom for them to grow.

Therefore, I take an extra effort to engage with them beyond the routine employment, and I rarely miss out on an invitation receive from them for a social event.

How do you practice social entrepreneurship?

I strongly believe that as responsible citizens of a country we need to ensure that we actively engage in creating a

positive change in society. It needs to be part of the DNA of our business. Also, it needs to go beyond gaining mere popularity and fascination.

At "EcoWave (Gte) Ltd" we promote organic certified spices, herbs and traditional rice, helping smallholder farmers by processing their spices for export. We also promote eco-tourism through "Ecowave Travels" which is a social venture committed to promoting responsible and sustainable tourism specially focused on agro-eco-tourism.

My involvement as the Chairman of "Navajeevana Rehabilitation Tangalla" which is a Center of Excellence for Rehabilitation of people with Special Needs is a socially responsible endeavor. This is an amazing project that was started by my late Aunt Kumi Wickramasuriya in 1987, that has served over 60,000 people with special needs in the South, East and North of Sri Lanka.

Also, my recent engagement as a member of the "Ath Pavura" reality TV program helped social entrepreneurs to pitch their business ideas to the investor panel hosted in the program and gain investment support for the businesses to grow financially while providing a positive impact towards society.

As a country are we properly investing

in entrepreneurship development? How does our policy framework need to change to compete in the global market?

Any business operation is bound by the policy framework of the country. However, relaxing certain entry barriers are mandatory if we are to develop entrepreneurship in Sri Lanka.

Policy frameworks need to focus more on developing an entrepreneurial mindset in people – especially the youth. Reduce hand-outs and educate youth to be self-reliant. Financial literacy for budding entrepreneurs is paramount.

"Youth engagement and ownership" is important in developing policy for entrepreneurship. Policy makers also need to provide enough space for successful entrepreneurs to engage in policy making for entrepreneurship.

I'm of the view that as a society we often fail to attract youth for developing entrepreneurship and overlook the positive contribution they can make to the society. Simply, we fail to provide a platform and space in which they can participate.

Therefore, our policy framework needs to be reviewed and redesigned to attract youth into entrepreneurship and make this beautiful island's economy more sustainable – inclusive and equitable.

CASA OUTLINES STRATEGIC PRIORITIES FOR THE DEVELOPMENT OF THE MARITIME SECTOR



Since its inception in 1944 The Ceylon Association of Shipping Agents (CASA) has played a vital role in developing the local maritime industry and has contributed towards positioning Sri Lanka as a transshipment hub in the region. Leading on policy and strategy CASA also works on multiple day to day issues in the smooth movement of goods and handling maritime operations. Through regular dialogue with stakeholders; Government institutions, regulatory bodies and other government and private sector agencies, CASA seeks to effect an interchange of ideas and information, represent and advocate the views of the association in all official fora and shape the future of the industry by investing in education and training for its members and working with maritime training academies to train Sea Farers.

CASA too resonates the Government's aspirations towards making Sri Lanka a Maritime Hub, leveraging on its strategic positioning. However, there are several key initiatives that will need to be prioritized to reach this goal.

Sri Lanka is strategically located, where the busy East-West shipping route passes just six to ten nautical miles south of the island. More than 70,000 ships ply this route annually, carrying two-thirds of the world's oil and half of all container shipments. It is no secret that Asia is bound to emerge as the economic powerhouse of the world, if the current trends of development continue for the next couple of decades. Many have expressed views of what is required to make this transformation including the need to liberalize the industry, which is misleading and also misses out on the fundamentals of what is required to develop and build efficiency in the maritime sector Sri Lanka needs to invest in basic infrastructure and improve the ease of doing business. In any case the shipping industry is fully liberalized contrary to views expressed.

Shipping agents have significantly contributed to the GDP and the Balance of Payment of Sri Lanka, amidst turbulence and has demonstrated a positive trend in the generation of foreign exchange, over the years despite the Global Financial Crisis, The Tsunami, The Easter Bomb Attack and Covid -19.

The sea transport income in 2019 had been USD 1555 Mn which was 4.4% of the current and capital account balance. Agents have expanded their service offering to the principals through ancillary services and promoting Port of Colombo and convincing them to divert additional business to Colombo. Shipping agencies have reinvested their income on other related logistics and transportation related businesses (which would have otherwise been repatriated out of the country) thus creating employment opportunities for Sri Lankans.

It is no secret that Asia is bound to emerge as the economic powerhouse of the world, if the current trends of development continue for the next couple of decades.

Direct employment in the transportation and storage sector is over 6% of the Sri Lankan labor force. It is also important to remember that there are other indirect contributions to other sectors such as boat operators, bunker traders, vendors for ship supplies, hotels/villa operators, sludge removers, etc which also has to be considered when calculating the economic contribution of the agents.

It is inevitable that Sri Lanka should capitalize on the location specific advantages and position itself as a hub. Therefore it is important to probe what constitutes a maritime hub and what are the immediate investments required to get there. This article mainly highlights few of those crucial investments requiring urgent attention.

1. Fast tracking the development of Port related infrastructure

Deep draught container berths – the Port of Colombo has a container throughput of 4.79 Million TEUs cumulative up to August 2021 compared to 4.54 Million in 2020 for the same period. The terminals in operation are reaching maximum capacity and if the development and commercialization of new terminals are not prioritized, we will not be able to cater to the volumes. There is an urgent need to fast track the procurement of Port cranes for the East Container Terminal and make it fully operational, expanding the capacity to 11 Million TEUs per annum. If this is not expedited, we will see "footloose" transshipment volumes moving out of Colombo to Indian Ports offering cheaper and faster alternatives.

Developing break bulk vessel handling capabilities – if the country is serious about attracting bulk cargoes for transshipment and value addition we need to urgently upgrade the land side equipment for handling multiple vessels simultaneously at Ports of Colombo and/ or Hambantota. The speed and efficacy of operations can be increased by increasing the skill levels of labor force. Further, it is important to maintain consistency in billing and provision of other services by the Ports Authority.

State of the art passenger terminal – Sri Lanka being a hotspot for global tourism, there is immense potential to attract more cruise vessels to Sri Lanka. The current passenger terminal is required to be modernized and upgraded to cater to the requirements of tourists and modern ocean liners which carry a large number of passengers and crew. The harbor requires adequate facilities to provide water,

Sri Lanka has been a central point for the embarkation and disembarkation of sea marshals and ship crew for private maritime security companies and crewing companies.



dispose garbage, and refuel the vessel. A state of the art passenger terminal will help position Sri Lanka as a cruise destination and open up the opportunity for several other complementary services.

Increasing the efficiency of Inter Terminal Trucking (ITT)- developing an efficient ITT system is important to give more visibility to Port users and also avoid delays and congestion. This requires integration of Terminal Management Systems and technology to ensure trucks are optimized and Containers are moved only when needed. With the increase of terminals the weak link of the Port of Colombo will be the Inter Terminal Trucking, hence pro-active investment in ITT monitoring system is urgent.

Investing in new harbor tugs and improve berth productivity- upgrading the existing harbor tugs and using technology such as integrated berthing planning systems can help enhance resource allocation, increase turnaround and reduce delays in vessel berthing

Infrastructure to handle Hazardous Cargo – considering the increase in hazardous cargo volumes and the possible negative impact to our ocean and marine life, its imperative that the port enhances infrastructure and equipment to mitigate risk and ensure safety at all times.

Develop state of the art multi-user, multi-country consolidation warehouses within Port limits – developing such facilities will enhance the logistics capabilities and enable Sri Lanka to provide more value added services to the region in line with the vision of being a maritime hub. State of the art modern warehouse with racking and warehouse management systems is required to enhance the value added services we can offer as a regional hub for cargo consolidation and processing. Such facilities will increase the Port volumes and handling of cargo.

2. Developing maritime ancillary services

For Sri Lanka to realize its vision of being a maritime hub, it is important to focus on the development of support services or ancillary services. We need to ensure that we have the full range of services at competitive prices to be perceived as an attractive destination for main lines, feeders, causal callers and passenger vessels. These ancillary services include; Bunkering, Marine lubricants, freshwater supply, Off Shore Supplies, ship Chandelling, slop disposal facility, Salvage & Towage, ship repairs, ship building, ship layup, maritime security and other services. Some of the areas that need to be developed are highlighted below:

Developing bunkering services-To be a globally competitive bunker supplier, Sri Lanka needs to be able to import and store larger parcels of bunkers to take advantage of price fluctuations and economies of scale. This requires increasing the storage capacity. At the current moment JCT oil bank capacity is only upto 35000 MT. This capacity needs to be at least doubled if we are to take more than 1% share from the 50 Million Tons supplied in Singapore annually. Currently restrictions and bureaucracy prevent initiatives like floating storages from being implemented in order to increase the storage capacity.

Develop and permitting the use of modern bonded warehousing facilities within Port limits- Sri Lanka can attract more procurement volumes of ship stores, provisions, spare parts, lubricants and other supplies if we are able to provide competitive prices compared to the region. Dedicated bonded facilities inside the Port can enable duty free items

to be supplied with a quick response time. Galle OPL is a big market for offshore supplies but there are no bonded facilities available.

Developing marine lubricants and fresh water supply –

In order to develop the marine lubricants and fresh water market, it is important for us to be competitive in the market and improve ease of supply. This requires development of infrastructure such as; dedicated lubricant tanks for bulk storage and more fresh water barges allowed to operate inside and outside harbor limits. In addition, the private sector needs to be allowed to supply inside the Port/OPL and 24hrs a day with ease of obtaining permissions and approvals round the clock.

Waste reception services- Slop, sludge and solid waste discharge from ships is a recurring need. Having proper reception facilities at ports for the same is an obligation of all Port States agreed by the MARPOL Convention to which Sri Lanka is a party. Regulations should be made more favorable to facilitate collection and disposal of such waste in a timely manner. And also encourage investments in environmentally friendly reception facilities in line with the international conventions.

Developing salvage services –the recent maritime disasters shows that it is important now more than ever to ensure salvage services are available to minimize the impact of any future incidents. Having such services is also beneficial to Ports, transporters, surveyor and everyone else involved in the supply chain. The Government should encourage the development and promotion of the business of salvage and towage and encourage Sri Lankan entrepreneurs to invest in this industry with necessary incentives. The Government should also ensure that minimum salvage and search and rescue facilities are maintained in and around the Sri Lankan waters to be able to respond immediately to maritime disasters such as the mv express pearl.

Ship layups- due to Sri Lanka's strategic location, the Trincomalee harbor can be promoted as a favorable location for ship layups - this requires having competitive tariffs and facilities such as adequate buoys to attract vessels and also dealing with the height restrictions imposed which do not allow rigs and other vessels with mast over 45 meters to be laid up.

Opportunities in the maritime security industry and promoting sri lanka as a crew change hub

Sri Lanka has been a central point for the embarkation and disembarkation of sea marshals and ship crew for private maritime security companies and crewing companies. All the logistics for the transfer of these guards and crew are arranged for by shipping agents including Air Port Transfers, liaising with service providers and the Sri Lanka Navy for the storage of the weapons & equipment in the Naval Armory, arranging accommodation, subsequent repatriation for foreign seafarers/sea marshals etc.

If Sri Lanka wishes to maintain its position as a crew exchange hub the country needs to align the health ministry

quarantine regulations for sea farers in line with that for tourists and also enable them to travel on commercial airlines in order to attract more numbers of ship owners and managers to perform their crew exchanges using ports of Galle/ Colombo and thereby increasing the volume and foreign exchange revenue to the Country as well. Further relaxation of isolation and quarantine regulations in line with those offered to tourists will send a clear message to ship owners and help the country earn more foreign exchange at this crucial time.

With regards to OBST operations it is vital that the rates offered to sea marshal companies by the armory are competitive and in line with the competing floating armories in the red sea, in order to maintain volumes and also encourage Sri Lankan sea marshals to be employed.

Developing legal infrastructure

There is a need to review and develop the laws and judicial practices according to the industry needs. This includes specialized legal services covering the marine and logistics sector as well as laws and regulations recognizing the modern developments in the maritime supply chain that are required to reach a hub status. Further if the legal systems are enhanced, Sri Lanka can become a favorable location for ship arrests, arbitration etc. It also is necessary to develop the dispute resolution process so that decisions can be expedited. Special admiralty courts need to be developed to have fast resolution of maritime matters.

Further a system of clearing the abandoned and detained containers at the port of Colombo needs to be implemented. Currently over 1100 containers are lying in terminals for many years. Speedy action needs to be taken for destruction or auction these containers and release the containers to the trade, especially at the time there is a shortage of equipment in the market. Local prohibitive legislation for shipping lines to recover logistics costs has also contributed to the short allocation of containers for Colombo cargo.

3. Development of National Merchant Shipping Fleet and the Sri Lanka flag

The government should encourage organizations towards ship ownership, ship operation and ship management under the Sri Lanka flag. This requires fiscal incentives and measures to make such investments attractive. It also requires a smooth and easy process for ship owning, operations and management. Therefore it is important to have framework and a central unit which is dedicated for the purpose of promoting ship owning and flagging. Attracting ship owners to register their fleet using the Sri Lanka flag is a direct method of earning foreign exchange revenue.

4. Capacity and Talent building

Investment in capacity building of people will be of paramount



Sri Lanka is ranked 99th in the ease of doing business index compared to Singapore which has a ranking of 2nd.

importance to the growth of the industry. A key area of development is vocational training. To develop the skills required it would be important to encourage partnerships between foreign and local universities to provide world class education in logistics and supply chain management. It will also be important to introduce workshops and trainings for specialized roles within the supply chain. Further, the importance and opportunities in shipping and logistics can be incorporated at a much earlier age to students at the secondary education level.

5. Improving ease of business and digitalization

Finally, if we want to realize our maritime hub aspirations, the government needs to create an encouraging climate for investors by improving ease of doing business. This includes; streamlining process, providing incentives and non-bureaucratic regulatory infrastructure for these services to be offered at world class standards and regionally competitive rates. One of the biggest barriers has been integration of information between different authorities and lack of transparency. Sri Lanka is ranked 99th in the ease of doing business index compared to Singapore which has a ranking of 2nd. This shows that there is a long way to go and one way of getting there is adopting digitalization. Many countries are implementing initiatives such as; automation, paper less trade, electronic data interchange, artificial intelligence and block chain to develop greater efficiency in operations. Currently the shipping process involves a myriad of manual documents , physical interactions and paper submissions to multiple government authorities leading to delays and increased ultimate costs for the consumer. There is an urgent need to fast track the digitalization drive starting with port community systems, customs systems and also 24 approvals

process in all ports and affiliated authorities.

CASA, the voice of the shipping industry had been supporting the initiatives to develop the Single Window Blueprint facilitated by the National Trade Facilitation Committee and Port community system project spearheaded by the Sri Lanka Ports Authority. As a stakeholder and an industry body representing shipping lines in Sri Lanka, CASA firmly believes that the National Single Window and the National Trade Information Portal will put us in the right direction to achieve the maritime hub aspirations of Sri Lanka. CASA is also in consultation with government authorities such as the Sri Lanka Ports Authority , Sri Lanka Customs, Department of Immigration and Emigration to streamline processes and to improve Ease of Doing Business which will eventually facilitate trade in Sri Lanka. During the pandemic, CASA played an active role in coordinating the implementation of Electronic Delivery Orders (EDO) which significantly reduced the physical interaction and can be considered a key step towards digitalization. Yet the port community urgently awaits an integrated system that makes supply chain seamless.

Conclusion

The policy makers need to engage with stakeholders and the private sector to ensure these initiatives and plans are implemented systematically. The aspects highlighted in this article are critical success factors in our pursuits towards sustainable competitive advantages, a superior business proposition to the global shipping community, which will in turn will be instrumental in realizing our aspirations to become a maritime hub. It is imperative that these issues are addressed urgently, with due priority, rather than non-issues such as liberalization. Real progress can only be made when we first focus on having the right resources in place, at the opportune time, increasing efficiency and driving cost effectiveness. Once this is in place, the rest will follow. This should be the key focus area of policy makers.



BLPL Expands Capabilities

- Acquired a new ship to facilitate faster response for customers.
- IT systems and team add more efficiency with new Tracking tools for Customers.

BLPL EXPANDS CAPABILITIES

BLPL Singapore, part of Transworld Group Singapore, today announced that it has taken delivery of its third owned container vessel - BLPL Faith. This latest addition to the fleet took place at the Busan Anchorage in Korea, on November 24. It strengthens the Company's resources for customers, making a total of 14 vessels and 32,000 containers.

Mr Mahesh Sivaswamy, Chairman and Managing Director of Transworld Group Singapore said, "BLPL, the shipping and logistics arm of the Transworld Group (TGLS) has made major milestones in its growth. I'm very proud of what the team has achieved – not just in capacity but also in the range of intermodal containers."



Growth in capacity and Services

With a modest beginning of 300 TEUs in the year 2007, BLPL reached 5000 TEUs by 2010. In that same year, the company offered Reefers to customers, and soon moved from being an NVO (Non-vessel operator) to ship owner with its first Liner in 2012. By December, BLPL had already touched 16000 TEUs, an impressive feat.

The year 2012 also marked a new chapter with the formation of Transworld GLS taking over the agency and logistics solutions of BLPL. The well-timed move enabled the company to increase its inventory strength, which doubled in the next five years to reach 32,000 TEUs.

Today the Transworld GLS with its established presence in over 10 countries covers all logistics needs from door pickup at origin to door delivery at destination.

Mahesh added, "BLPL prides itself on maintaining a high level of adaptability towards changing market conditions. Mahesh's motto is 'Action Without Delay is the secret of his Success', and thankfully the number of customers, trade partners and service providers has grown with us."

BLPL SINGAPORE

Mr Raja Vikraman (Vikram), CEO of BLPL elaborated, "Our mainstay is flexibility. BLPL has been a pioneer in introducing new routes. The first was the Yangon to India route; then Thailand to West India; Southeast Asia to Middle East, and we will keep adding to this list. We are not a scheduled operator and therefore can nimbly deploy our vessels as direct services in a short time."

In-house IT experts improve efficiency



Raja Vikraman, CEO

Another aggressive move has been towards the digitization of the business. The team of In-house IT professionals develops and supports the software systems for BLPL. There are now app-based applications to enable customers to do seamless tracking, internal inventory systems to manage efficient usage of container assets, software to enable more efficient connections at the trans-shipment hub: all of which are efficiencies which have been passed on to customers.

"We've witnessed the toughest shipping phases since the date of inception in 2007: from the Great Recession to the latest Pandemic Times. Every journey leads us to discover new prospects even as the team emerges stronger. There are exciting times ahead," Vikram concluded.

###

Email: info@tglslanka.com

Transworld GLS Lanka (Pvt) Ltd.
No.69, 8th Floor, Ceylinco House, Janadhipathi
Mawatha, Colombo 01.

Tel: +94 117 634170/77



CASA'S FIRST FEMALE CHAIRPERSON

STEERS THE TEAM IN ANSWERING THE

CLARION CALL FOR DIGITALIZATION OF THE SHIPPING INDUSTRY

Compiled by Rochelle Palipane Gunaratne

Reshaping the history of the maritime industry of Sri Lanka is **Shehara De Silva**- the first female and the youngest Chairperson of the Ceylon Association of Shipping Agents (CASA). In 2017, Shehara was appointed as the first female office-bearer in the 50-year history of the Ceylon Association of Shipping Agents (CASA). Subsequently, in 2019 and 2020, she served as the Vice-Chairperson. She is a dynamic and passionate shipping professional spearheading the McLarens Group as the Group Managing Director and first and only female Formula One racing car driver in Sri Lanka.

SHEHARA

IS A GAME-CHANGER WHO IS CREATING WAVES IN LOCAL AND GLOBAL MARKETS.

Unanimously elected to commandeer the leading voice of Sri Lanka's maritime industry, Shehara is a game-changer who is creating waves in local and global markets.

Her career took wing in 2002, at HSBC Colombo where she worked in corporate banking. Her interest in the shipping industry led her to work at Wan Hai Lines in Singapore and GAC Dubai where she was mentored to expand her knowledge in liner and breakbulk shipping documentation, operations, IT, marketing and offshore shipping supply services. There she envisioned building an innovative brand with diversification into global markets.

Subsequently, she began her journey with the McLarens Group in 2003. Appointed

as Manager Business Development she was instrumental in streamlining shared services for the group in the areas of finance, human resources, corporate planning, compliance & audit, legal, and digital transformation. Her vision of modernizing the company also saw her drive the areas of corporate social responsibility and corporate communication. By 2010, Shehara was serving on the board of over 40 subsidiaries within the McLarens Group in shipping, marine, trading, petroleum, property and leisure sectors, steering business direction and strategy. Her business ethos is focused on developing ideas that disrupt the status quo and challenge the company and its people to think, inspire and grow. Appointed as Joint Group Managing Director in 2015,

and Group Managing Director in 2021, Shehara's focus has been on the strategic vision of the company as a whole, driving business strategy, operations, administration and new business acquisition & mergers.

All throughout her career, modern management practices have been her forte. Yet, Shehara has never once compromised on the company's 70-year history, culture, heritage and value system - ingrained in her by her father Rohan De Silva and her grandfather, Hubert De Silva - the founding father of the company. She has demonstrated exemplary turnaround management skills by reorganizing business infrastructure, building a dynamic leadership team to achieve scalable solutions and profitability for the entire group.

EMPOWERING WOMEN

In 2014, Shehara formed Women's International Shipping & Trading Association (WISTA) in Sri Lanka and was appointed as the Founding President of WISTA - Sri Lanka. It is solely due to her hard work and commitment towards empowering women, that she was pivotal in setting up the Sri Lankan chapter and garnering extensive industry support.

LEADING WHERE IT MATTERS

From 2016 to 2019 Shehara served as a member of the National Agenda Committee on Transport & Logistics of the Ceylon Chamber of Commerce, Convener of the National Maritime Policy Steering Committee, was

appointed as a member of the board of Caritas – SEDEC and member of the Diversity committee of the international chamber of shipping. She also served as the Advisor to the Hon Minister of Women's & Child Affairs in March 2016. Shehara served as a board member of the national savings bank in 2018 and currently as a director of the Ceylon Shipping Corporation Ltd. (CSC)

AWARDS & ACCOLADES

In recognition of her outstanding contribution to the industry, for her role in female leadership and for her vibrant personality, Shehara has won many an accolade. She was named as one of the Most Powerful Businesswomen in Sri Lanka by the Echelon magazine in 2013 and 2014, whilst WISTA Sri Lanka presented her with the 'Personality of

the Year Award' in 2018 Shehara also won the Silver Award – under the supply chain category at the Professional Career Women Awards 2016 and for Best Corporate Leader of the Year at the Top 50 Professional and Career Women's Awards 2020 organized by Women in Management (WIM). She was recently bestowed with the 'Woman in Shipping,' award at the Maritime Standard Awards held recently in Dubai.

MAKING A POSITIVE IMPACT AS A PHILANTHROPIST

Shehara is passionate about community outreach and has played a key role in 'Friends of Prisoners' Children' - a program that uplifts the lives of children of inmates at the Welikada Prison and several CSR projects through the McLarens group

ROLE MODEL FOR WOMEN

Besides her inspiring career she is a lady of both steel and silk and balances her roles in life successfully as a mother, mentor, business and community leader and continues to challenge herself to reach her fullest potential in life.

Q. WHAT WAS IT LIKE STEPPING INTO A ROLE WHICH WAS PRIMARILY GOVERNED BY MEN IN THE FIELD OF SHIPPING AND TAKING ON THE MANTLE AS THE FIRST FEMALE CHAIRPERSON OF CASA?

Gender is inconsequential to me personally when it comes to work or a job to be done, as long as the job is completed successfully. Competence is key in any subject. I am an individual, who is committed to fulfilling a task – even if it requires going the extra mile to ensure success. This said, I must confess there were challenges in taking on a leadership role in shipping and CASA in a sense which was seen as a male bastion with over 55 years of being led by men. However, many of the industry seniors did support me and my gratitude is extended to the CASA Advisory Committee for supporting this decision and also continuing to advise me and guide me in tough decisions. I am confident in my ability and how I can contribute to the progress of the industry as a whole and my commitment to the cause is strong, hence gender does not deter me in anyway. I enjoy the role as CASA Chairperson even though it involves a lot of work out side my day to day role at McLaren's as it gives an opportunity to make a significant difference, interact with many personalities and network among stake holders and also provides an aerial view of the entire industry from its policies to laws, the macro





economic impact of shipping on the economy as a facilitator of trade for the country.

Q. HAS YOUR PASSION FOR RACING COMPETITIVELY (ANOTHER SO CALLED MALE-DOMINATED PLATFORM) MADE YOU RESILIENT IN LIFE AND WORK? IF YES, THEN PLEASE DO ELABORATE.

Being on the racetrack has made me resilient and strengthened my confidence. Racing too gave me the opportunity to push myself further as the intrinsic values inculcated through the sport are wide and varied; from the value of team work, preparation, careful attention to detail, being extremely alert, deeply focused onto the task at hand and the ability to face obstacles and competition head-on – fearlessly! I believe These qualities, which were developed on the race track made me confident in the business world and the board room as sport per se inevitably contributes and compliments one's overall stance and outlook of life and work.

Q.THROUGHOUT THE YEARS WE HAVE SEEN MORE WOMEN BREAK THE PROVERBIAL GLASS CEILING IN THE INDUSTRY IN MANY AREAS OF EXPERTISE, THEREFORE COULD WE STILL REFER TO IT AS AN 'INDUSTRY GOVERNED BY MEN?'

I wouldn't refer to it as 'governed' as male 'dominated' is more apt and

yes it has been so for centuries but the ratios are gradually being altered through the awareness created by many professional bodies that promulgate the lucrative aspect of gender diversity. Even though the offshore sector of shipping is still predominantly male, the industry has revolutionized to a great extent as globally, we now have a significant number of women who are ship captains, chief engineers, heads of ports and leading shipping companies. On shore, the numbers have improved a lot in the last decade I believe, thanks to WISTA I have been fortunate to have met many inspiring women in shipping from many nationalities who are breaking the glass ceiling in their own nations. Locally too we have many women in the upper echelons of the shipping sphere in freight forwarding , ports , operations and almost every segment of the industry but the overall representation has a distance to go especially in altering the unconscious bias faced by women in many instances.

Q.DO YOU SEE YOURSELF AS A SHIPPING TYCOON?

No but it is definitely a goal which I can aspire to reach!

Q.IT IS UNDERSTOOD THAT THE CALL FOR DIGITALIZATION OF THE LOCAL SHIPPING FRATERNITY IS RESOUNDING- ESPECIALLY SINCE THE PARADIGM SHIFT CAUSED BY COVID-19. HAS ANY PROGRESS BEEN MADE TO DATE

THROUGH CASA? IF SO IN WHICH ASPECTS AND WHAT CAN BE DONE TO EXPEDITE THE PROCESS?

The pandemic drove us towards a swim or sink modus operandi by rapidly transforming the landscape to adapt digitally for sustainability. Within a very short time some manual processes, were transferred to a digital platform, when it came to electronic delivery orders (EDO) which showed the industries capability to adopt technology and evolve. Yet, many additional processes requires rapid transformation - from the Export manifest, manifest correctors, payments, dangerous cargo applications, health and sanitization certification, and various other approvals and submissions to authorities such as the Sri Lanka Customs, Ministry of Defence and Ministry of Health. Moreover, the crucial element we need to address in Sri Lanka's aim in becoming a serious player in the maritime industry is to administer a 24-hour work cycle in our main ports and enable the online connectivity and payment gateways to remain accessible without disruptions. The SLPA has shown its commitment to digitize processes and migrate to email submissions and also online payments. CASA is happy to support and partner the initiative to implement the port community system which will integrate all stakeholders in one platform.

We at CASA are creating waves through an influx of information geared to promulgate the importance of

SHEHARA IS THE FIRST AND ONLY FEMALE FORMULA ONE RACING DRIVER IN SRI LANKA AND ACTIVELY PARTICIPATES IN NATIONAL MOTOR RACING EVENTS. SHE HAS WON MANY ACCOLADES TO HER CREDIT IN AN ARRAY OF EVENTS, RANGING FROM HILL CLIMBS TO CIRCUIT RACING, GRAVEL RACING, AND RALLIES.

digitization through focused articles, programs and seminars by our Doc and IT committee and also the Training and Development committee.

Q. HOW CAN DIGITALIZATION OPEN NEW FRONTIERS FOR US?

By creating greater efficiency, after all, it saves time, excessive wastage of paper and enables the faster operations. It saves on manpower and countless physical visits to authorities and waiting time and hard copy submissions. Overall, it is beneficial and saves significant costs for the whole economy. Further being fully digital will attract more Shipping lines to the port of Colombo and improve overall productivity as we improve in the logistics performance index and also the ease of doing business rankings.

Q. WHAT ARE THE IMPEDIMENTS FACED BY CASA AND OTHER SUCH GOVERNING BODIES IN PROGRESSING FURTHER AND ARE THERE SOLUTIONS TO OVERCOME IT OR WILL IT BE A PERMANENT STALEMATE?

Applying the correct technology is rarely the obstacle, there are many technology solutions available to digitize the entire shipping / regulatory and operations process and a change in the general mind set is pivotal for growth and remains to be a challenge in many authorities. There is a preference to deal in person, and inherent issues need to be addressed in the system to move on from these traditions. Formal Incentives in the government sector need to match private sector market based levels along with the criteria for recruitment.

Secondly there needs to be a revision in all the laws which govern many of the shipping practices including the customs ordinance which insists on hard copy submission for documents.

Digital signatures and authenticated files are now accepted as alternatives for original document and we as a country need to see how we can update our laws to be able to adopt technology in the shipping documentation and approvals process.

Q. WHAT ARE THE FUTURE PROSPECTS FOR OUR COUNTRY IN TERMS OF SHIPPING? WILL THE DISCUSSIONS HELD IN THE PAST MATERIALIZE WITHIN THE NEXT DECADE AND CAN WE EVER BE ON PAR WITH WORLD CLASS MARITIME HUBS?

As it has been said many times before, Sri Lanka has immense potential to develop its maritime industry. The topic of reaching our full potential as a maritime hub has been debated in many a forum. The bottom line however is very simply that the country needs a clear long term maritime policy , needs to build port and related infrastructure , invest in equipment for on shore and off shore operations. Apart from these there is a clear need to improve the ease of doing business and regulatory reforms to graduate to digitalizing the maritime transactions and also investment in human capital by means of continuous training and development. In fact, CASA published a detailed article on what are the priorities for the maritime sector just recently. Given the current pressures on the exchange rate, I would say its vital that the ease of transacting with regards to freight and other vendor payments and remittances needs to be maintained in order to keep the confidence of shipping principals in Sri Lanka. The shipping industry is the facilitator of the county's exports and its sustenance is absolutely vital.

Q. IS THE INDUSTRY LUCRATIVE TO THE YOUTH? WITH THE VETERANS OF THE TRADE SEEKING RETIREMENT, HOW INSTRUMENTAL CAN CASA

BE IN RECRUITING THE YOUNGER GENERATION?

Shipping as aforementioned is a dynamic industry with constant changes. It is also a lucrative career option for all as it has numerous job opportunities but is lacking in its awareness among youth. We need to include its pathways in the curriculum in order to create awareness and stir up an interest towards a career in this field. Currently it is only accessible to students in the Advance Level stream studying Business Statistics as a unit titled, 'Maritime Logistics.'

CASA, with our youth partner Youngship is actively drawing the youth towards the industry through a number of interesting activities and programs and continue to engage youth already involved in the shipping sector through education and networking. There is a lot of tacit knowledge in the industry built on to the experience of the industry stalwarts which need to be passed on to the younger generation.

Q. YOUR MESSAGE AS THE CHAIRPERSON OF CASA, THE VOICE OF THE INDUSTRY

The shipping industry involves many varied stakeholders and it is essential that we all find common objectives and work in unison for the overall development of the industry which is most suited to our own country and people. CASA is a dynamic body with a rich heritage and also proactive in its thinking and dynamism, and will continue to work tirelessly to improve day to day issues faced by the industry , and also help shape the future through innovation , technology and policy. I invite the entire industry to join with CASA to work toward the common goal of reaching Sri Lanka's fullest maritime potential.

THE FUTURE OF HULL CLEANING IS HERE!

Introducing the Hull Wiper for the FIRST TIME IN SRI LANKA

The Hull Wiper is a Remotely Operated vehicle (ROV) that is utilized to clean vessels Hulls without the use of Divers. It can be deployed inside port or at anchorage; it carries out cleaning via high-pressure seawater jets directly onto the ship's hull at a very high velocity to dislodge waste materials. It has special filter technology which allows the unit to capture all marine fouling without same falling into the water.



WHY CHOOSE HULL WIPER

- **Massive Cost Savings** - Helps lower fuel & dry-docking expenses.
- **HULL CLEANING Inside Port -No Down Time-** Cleans whilst the vessel is being unloaded and loaded.
- **Nonstop Operation & No Waiting-** Cleans through the day & night.
- **Environmentally Compliant** -Non-aggressive cleaning using waterjet does not damage the anti-fouling paint and ability to store removed fouling
- **No Brushes or Abrasives-** Uses variable pressure seawater as a medium for cleaning.
- **Safe-** No divers

OUR CERTIFICATIONS



FOR INQUIRIES

Mr. Lalindu Jayawickrama | Chief Executive Officer | +94 770320741
Mr. Mendis Mark | Senior Executive - Operations/Marketing | +94 762276259

WORLD SUBSEA SERVICES PVT LTD

No. 273/5, Vauxhall Street, Colombo. 02 | +94 11 484 8095 | ops@worldsubsea.lk

INSPIRED SOLUTIONS


FOR ALL YOUR
LOGISTICS NEEDS



HAYLEYS
ADVANTIS
GOING BEYOND

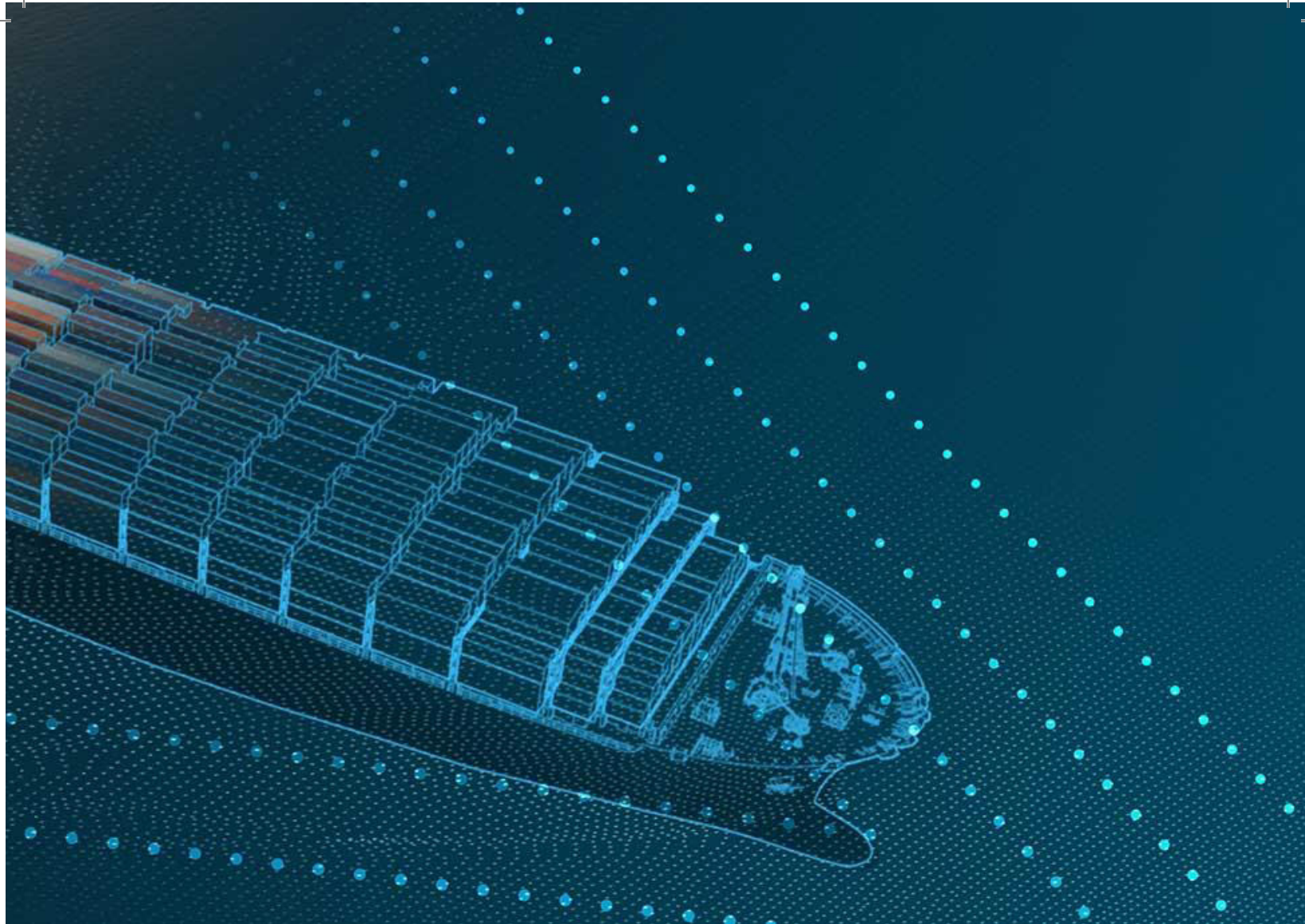
INTEGRATED LOGISTICS SERVICES | INTERNATIONAL FREIGHT MANAGEMENT | MARINE & ENERGY
PROJECTS & ENGINEERING | AVIATION

400, Deans Road, Colombo 10, Sri Lanka
+94 11 2167000
info@hayleysadvantis.com | www.hayleysadvantis.com



**DIGITAL
TRANSFORMATION IN THE
MARITIME INDUSTRY- SRI
LANKAN PERSPECTIVE**

**CELEBRATING
WORLD
MARITIME
DAY** CASA PRESENTS
PANEL DISCUSSION



Ceylon Association of Shipping Agents (CASA) celebrated **World Maritime Day** which falls on September 30, with an aptly timed virtual discussion titled, 'Digital Transformation in the Maritime Industry- Sri Lankan Perspective'.

The eminent panelists considered of industry professionals from

Dr. Prasantha Jayamanna ± Vice Chairman SLPA,

Mr. Sudattha Silva ± Deputy Director ± Sri Lanka Customs,

Mr. Upul Jinadasa ± Chief Operating Officer ± South Asia Gateway Terminals and

Mr. Siddarth Iyer ± Managing Director ± Maersk Lanka .

The opening remarks were delivered

by **Mrs. Shehara De Silva** ± Chairperson ± CASA with **Mr. Chrisantha Fernando** ± Chairman Document & IT Committee of CASA moderating the discussion.

Celebrated since 1978, "World Maritime Day" has been recognized by the United Nations (UN) via the International Maritime Organization (IMO) and brings to light the pivotal contribution made to the world economy by the Maritime industry.

Commencing the opening remarks, CASA Chairperson Shehara De Silva, reiterated the interest created by the accelerated advancements in digital transformation owing greatly to the onset of the pandemic. The industry was severely impacted, yet the seafarers literally put their lives on the line against the invisible enemy to ensure smooth operations despite the threat posed. This year WMD addresses areas concerning the Safety and Wellbeing of Seafarers and Maritime Security Environmental Protection. Yet above all, the burgeoning concept of digitalization and automation has drawn our island nation, who prior to the pandemic followed a more traditional form of face-to-face interaction into a rapidly progressive path with fast adaptations towards concepts such as Big Data, Internet of Things (IoT), 5G, Blockchain Solutions, wearable devices, unmanned ships and other smart technology based methods. According to Shehara, "Digitalization improves performance, economic competitiveness and ultimately the improvement in costing. Surmise it to say, digitalization brings

us connectivity which in turn enables the industry to streamline all aspects of maritime transport and cross border processes, documentation and communication from ship to shore and reduces the inefficiencies". She further stated that the challenges in the maritime industry are not for the faint hearted, "there is always a series of obstacles, be it fluctuations in freight rates, availability of vessels and equipment or maritime disasters with the pandemic exacerbating the challenges manifold. Yet even though an opportunity has arisen with the increase of freight rates, it is short lived. We believe that now is the time for the new generation of maritime leaders to tap into the digitalization and automation to ensure the future of the industry is resilient and sustainable".

Continuing her remarks, she stated, "We start with the Port as it is at the heart of the digitalization process. The IMO has made it mandatory for all member countries to exchange data electronically through the FAL Convention (The Convention on Facilitation of International Maritime Traffic). Despite their best efforts, a mere one third of the global ports comply with the requirement due to two main barriers cited by the ports; the legal framework in the countries concerned and the persuasion towards the multiple private/ public

stakeholders to collaborate. Moreover, she posed an interesting remark that the key aspect of digitization is change management as resistance to change is inevitable in the adaptation of any new technology. Yet, she emphasized the importance of embracing digitalization, "as the global industry and customers alike will continue to push for it as it will mean fewer port delays, greater supply chain visibility and improved control over services and integration," adding that CASA has been working with key authorities such as Sri Lanka Customs to digitize the Import/ Export manifest, its amendments and the vessel clearance processes which will enable us to be on par with regional ports and ensure the cost effectiveness and time management.

"CASA's Doc & IT Committee has been instrumental in collaborating with government organizations such as the Ministry of Health and Ministry of Defense to expedite the entire cargo clearance and fast vessel turnaround for various approvals as these measures are beneficial to the entire country ensuring the increase in efficiency and productivity", She urged the policy makers and key stakeholders to expedite the implementation of the initiatives, concluding with the remark, "Learn from the rest of the world and take the Sri Lanka maritime industry forward in this digital age".

Thereafter, the introduction to the distinguished panelists was made by Ms. Maleena Awn who is part of the Educational Training Committee of CASA.

Dr. Prasantha Jayamanne is the Vice Chairman of Sri Lanka Ports Authority. He is also the Founder Chairman and Chief Executive Officer of DPJ Holdings and Affiliated Companies. In addition, Dr. Jayamanne has been appointed as a Senior Advisor to the Hon. Minister of Ports & Shipping. He is a Doctor of Business Administration and the most awarded youngest entrepreneur in Sri Lanka and a Leadership Lecturer with a vast knowledge in the implementation of strategic solutions. He holds a Masters Degree in Business Administration from the University of Western Sydney, Australia, Owner President Management from the Harvard Business School and Leading Product Innovation from the Harvard University. He is a certified Lecturer for Australian Institute of Business, Australian Institute Management, Heriot-Watt University UK, University of Bedfordshire UK and a visiting Lecturer for Asian Institute of Technology.

Mr. Sudattha Silva – He joined Sri Lanka Customs in 1988 and presently serves as the Deputy Director of the Legal Affairs Directorate of the Sri Lanka Customs. He holds an MBA in Customs and International Trade from the Post Graduate Institute of Management of the University of Sri Jayawardenapura. During his illustrious career spanning 33 years he has acquired a vast experience in trade facilitation and customs automation. He is a member of the National Advisory Committee on the Logistics Sector and the National Advisory Committee on Track Information established by the Export Development Board (EDB), Customs Working Group to implement the World Trade Organization (WTO) Trade Facilitation Agreement at Sri Lanka Customs and the Customs

Coordinating Board Management Committee. Mr. Silva is a visiting Lecturer of several reputed universities in Customs Border Management and International Trade. Since April 2021, he functions as the official Media Spokesperson of Sri Lanka Customs.

Mr. Upul Jinadasa – Chief Operating Officer of South Asia Gateway Terminals, having joined at its inception in 1999 as the General Manager- Information Technology. In 2013, he was entrusted with additional responsibility of managing the Operations Division of the company. In October 2017, he relinquished his IT responsibility and continued to focus solely on Operations Service Delivery. Prior to joining SAGT, Mr. Jinadasa held various ICT positions with local and international organizations including APL. His ICT and port operations career spans well over three decades, most of which he has spent in the shipping and ports industry.

Mr. Siddarth Iyer – Managing Director – Maersk Lanka and Country Manager for Maersk in Sri Lanka & Maldives. His experience with Maersk is over 16 years across functions in Commercial Operations and General Management and across multiple geographies in Belgium, Bangladesh, India, Sri Lanka and Maldives. Mr. Iyer entered Maersk through the prestigious Maersk International Shipping Education and has been instrumental in driving Maersk transformation from an ocean based carrier in the South Asia Region, to an integration of container logistics. He is a leading voice in the logistics industry and is the current Vice Chairman of the Sri Lanka Association for Vessel Operators (SLAVO). He holds a Masters of Commerce from the University of Mumbai and is a recipient of Great Manager Awards by Economic Times for enhancing people performance in 2019.

Moderator – **Chrisantha Fernando** currently serves as the Chairman of the Documentation and ICT Committee of CASA – a position he has held for over four years. He functions as the Head of Group Information Systems- Hayleys Advantis Limited and has over 25 years of industry experience with specific exposure to transportation and logistics based technology and business solutions.

Addressing the panelist and audience, Chrisantha thanked the audience, including a participation of over 150. "They say the maritime trade has been the life blood of the modern global economy and Sri Lanka with its close proximity to the East and West trade routes has great potential due to the geographical location but the question is will that suffice for us to be competitive? Our 2019 Logistics Performance Index (LPI) ranking was 94 and our Trading across Borders ranking in 2020, mainly covering areas of efficiency, documentary, border compliance and cost were between the 40-50 range. According to the United Nations Conference on Trade and Development (UNCTAD) literature – Digitalization and Technology are transforming the maritime sector which is said to provide new opportunities. The aim is to ultimately promote efficiency in secure trading practices, providing greater predictability which eventually benefits all our customers who rely on these services."

We are aware that, artificial intelligence (AI), augmented reality and many other concepts which has increased the possibility of eliminating unwanted deficiencies and inaccuracies.

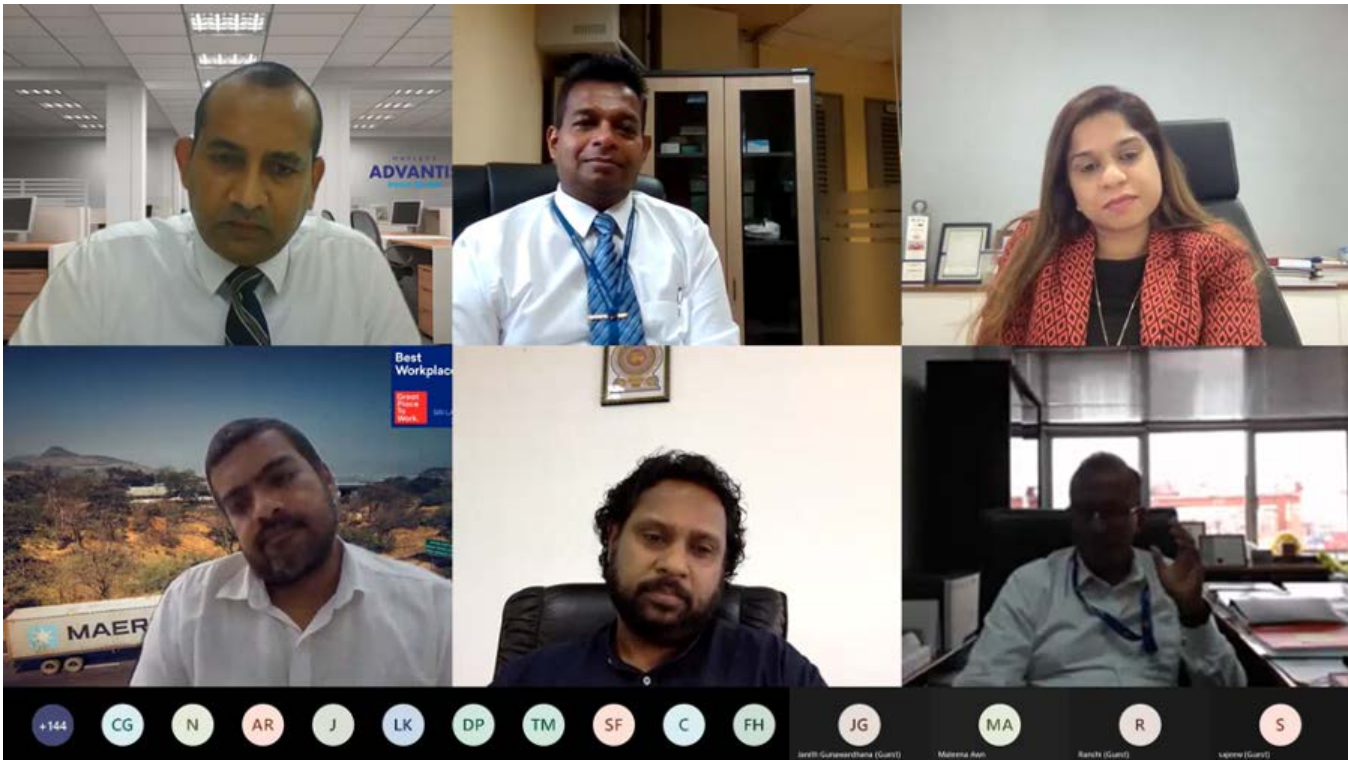
DISCUSSION –

CASA:– We see an increase in the number of developed countries pushing for automation and visibility in the supply chain. What impact could this have on the developing nations, the manufacturing sectors and Sri Lanka's goals to become a maritime hub?

Dr. Prasantha Jayamanne :- What we have seen is that change is inevitable and unless we change we are no longer going to be a value

proposition or a stakeholder in the whole segment. We have seen the result of countries that have embraced the digital changes of this day, having vaulted into the future. We are aware that robotics, artificial intelligence (AI), augmented reality and many other concepts which has increased the possibility of eliminating unwanted deficiencies and inaccuracies. It is good to see Sri Lanka stepping to the plate and the future looks promising.

CASA:– Sri Lanka Customs has made great strides and progressed specifically in technology and processing of customs documents in the past few years. Facing the pandemic would have also made it more challenging for authorities to be more creative; tons of personal protective equipment (PPE), medical equipment and essential goods that needed priority clearance. It is understood



that the World Customs Organizations (WCO) has introduced a concept called Digital Customs. Please elaborate and advise whether there are any areas of modernization that we can anticipate according to the above themes.

Mr. Sudattha Silva: -

The WCO Initiatives were initially mentioned in the revised code of conventions in the 90s. It states that automation is one of the process developments that the Customs Administration can offer to improve the efficiency of the supply chain. Sri Lanka Customs took the bold stance towards automation as early as 1993 prior to most government agencies or even before the private sector made any progress in Sri Lanka. In 1996 we implemented our core system application known as ASYCUDA which was the 2.7 version. With the gradual introduction to change in the year 2000, we upgraded it to ASYCUDA++. Thereafter the major change took place in 2006 with the introduction of ASYCUDA WORLD. Incidentally, the Telecommunication Regulatory Authority took timely action to develop the Telecommunication Industry, therefore by 2010 we had a stable communication network which served as blessing as we could offer real time submissions of Customs Declarations to ASYCUDA WORLD SYSTEM in 2011. Subsequently, we aimed at improving

our digitalization process as our ultimate goal toward our clients is to make the process paperless. After addressing various issues, we started to develop our hardware and software since 2017. This required us to increase our storage and improve the processes. Therefore, when the pandemic hit the shores of Sri Lanka we were ready to face the challenges head on. We were also guided by the visionary, Director General of Customs, Rtd. General of Customs, Major General Vijitha Ravipriya who made the decision to implement paperless clearance.

Despite the development of the technical aspect there was a delay in addressing the required legal amendments but all matters were duly sorted and by August 01, 2021 we have made it mandatory for all stakeholders to sign the digital document through the digital signature.

CASA: - As a person in the maritime industry for a significant period, contributing towards the digitalization and numerous modernization efforts relating to the industry- how do you view the progress we have made as a country so far? More importantly, what measures should we take in order to be on par with development and technological advancements seen worldwide? How can we overcome the lacuna that has prevailed for so long?

Mr. Upul Jinadasa: - Similar to SL Customs, The Port per se invested heavily towards the digitalization footprint since 1986. We have successfully introduced initiatives in simplifying the export and import procedures and improved efficiencies. It was an initial effort in incorporating a single window. Yet there was a lull in progress and now the processes of the past are obsolete. Therefore we have completely altered the implementations with evolved processes. Now it is more adaptable and affordable, which is also prompting all stakeholders to look at options with renewed interest, unlike in the past. Since its inception, SAGT too has made giant strides in transforming the processes from manual to digital. Therefore, when the pandemic reared its head, it triggered the dormant portals which had been in the back burner due to various debates and discussions as we were faced with a proverbial 'do or die' situation.

In response to your second query, we need to change the attitude to face the reality of life on a global scale. As well, all stakeholders need to foster stronger bonds, with discipline being paramount as we start collaborating with each other in order to implement the interface. All redundant policies and Acts should be altered accordingly as we need to exchange the new information for progress. We need to

proactively address and holistically resolve some of these discrepancies and come to a common understanding about the digital priorities. For instance if we try to digitalize every transaction it is not practical, therefore we need to strategize and zone in on what matters the most and follow through according to a timeline with standards, specifications, minimum requirements and KPIs monitoring all of this. We need to capitalize on the fact that digitalization is more accessible than 35 years ago and we can capitalize on that aspect and formulate a practical solution which can be incorporated in order to achieve certain milestones within the time frame.

CASA:- Can you share your experience at Maersk on the transformation that is taking place in providing customer-centric technological solutions, altering the customers experiences worldwide and specifically in Sri Lanka?

Mr. Siddarth Iyer: - We need to stop lagging behind and move at lightning speed. Despite some methodologies being archaic in Sri Lanka, we have high potential to implement the most futuristic form of digitalization without further delay. The platform is set in place with almost all Sri Lankans owning smart phones and the older generation making way for the 'millennials' who are tech savvy to take over, the country is ripe for a new birth in technology. In business, we have altered our view by referring to our company as a digital entity that offers logistic solutions. We have simultaneously given the Technology Officer the same privileges as the Group CEO as his/her role is equally demanding.

Secondly, we strive to provide our customers integrated solutions in logistics. As well, visibility was a key requirement of our customers as making timely decisions can save millions of dollars. Hence the formation of TradeLens the result of a collaboration agreement between Maersk and IBM, a blockchain-enabled shipping solution designed to promote more efficient and secure global trade, bringing together various parties to support information sharing

and transparency, and spur industry-wide innovation. In recent times we have partnered with ACYHUB which belongs to SL Customs as a pilot project to implement faster solutions to Customers. TradeLens is being implemented by the terminals; SAGT and CICT and eighty percent of the local shipping lines. We have also launched the TradeLens Bill of Lading (B/L) which is a paperless document from shipper to consignee. We are also in the process of working alongside the bank so that it can be implemented in the case involving a LC.

We also focused on the rapidly-progressing SME segment through the launch of 12 – Digital Forwarder. It has gained popularity through its vast services covering online bookings, air freight, LCL transportation services, complete transparency of rates and tracking options among others. The usage of AI in our booking system involving the SME network is a resounding success among the SME sector.

Another area of focus is platform technology which enables us to create a strong foundation/ platform and scale up a business through multiple systems. Finally and most importantly, we need to be relevant in our approach and keep the customer engaged, if not we will be relegated to the back burner.

CASA:-

Digitalization has gained momentum- a fact acknowledged by all panelist. From the view point of the SLPA attracting some of the major shipping lines, what are some of the short term and long term plans we have in terms of digitalization and modernization of the port functions?

Dr. Prasantha Jayamanne: - Our plans are already being implemented. From 2018 onwards we have implemented the NAVIS N4 system and while all the stakeholders rallied around us, it has worked smoothly to-date. SLPA is working closely with SAGT and CICT to have a single platform to monitor the IIT. Yet there are a few areas such as navigation, berthing and scheduling that requires digitation. Committees are set in place along with

CASA and others to address internal, intra-terminal and inter-organizational matters, thereafter we will be looking to other major areas such as the Port Master Plan and Port Community System. With the support of many the Port is achieving its ultimate objectives.

CASA:- We understand a new improved version of ACYCUDA, known as ACYHUB is being evaluated to be implemented. CASA was involved with stakeholder meetings with regards to this, therefore please elaborate on this initiative. What improvements can we expect to see in facilitating trade services?

Mr. Sudatth Silva: - ACYHUB will not replace ACYCUDA as the latter will stand as it is, with the former functioning as an intermediate application in order to connect the shipping data platforms to the ACYCUDA system. It is being developed by UNCTAD with the assistance of TradeLens. The integration will take place through the ACYCUDA TradeLens.

All the data will be available in the ACYCUDA system which will be referred to as Advance Information. This enables us to conduct the risk management prior to the arrival of the ship. An added advantage will be the access to more data than the traditional B/L. The implementation of ACYHUB is a pioneering effort by SL.

Further, we wish to pledge our fullest support to SLPA in their quest to formulate the Port Community System as it is a main requirement for any digitalized nation as it improves efficiency in the supply chain and considered a breakthrough in the broader context of digitalizing the maritime trade of Sri Lanka.

CASA:- What are your thoughts on evolving technology which some claim will disrupt the industry?

Mr. Upul Jindasa: -

Most speakers mentioned the technology being adapted to the supply chain. In the recent past we have seen how the global supply chain has grown exponentially and evolved

rapidly and we were aware of the triggering and facilitating that was due to globalization. These aspects were discussed at forums. With the advent of new technology connecting countries within the past 2-3 decades. Gradually, digitalization and globalization have merged to create a more effective and efficient platform that has brought communities closer. Covid-19 too was a major disrupter causing us to adapt to the new normal in almost lightning speed. All our lifestyles have been disrupted and inadvertently, we have digitalized ourselves with the ownership of smartphones as we wake and sleep with it next to us and access it at all times. Every life and industry has undergone a paradigm shift and one has to either adapt or lose out. The online orders made globally grossly outweigh the manual orders. Similarly, technological advancement such as 3D printing has reduced the cost and increased efficiency and seen as a marvel – for instance a plane engine which is manually produced has 900 components and costs higher than a 3D print of it which has a mere 55 components and takes 1/10th of the time. These changes are bound to impact the industries we are involved in and we are unable keep these disruptions at bay anymore, therefore it is best to embrace it and adapt for sustainability. These changes has its advantages from eliminating corruption and fraud, minimizing service disruptions and optimizing energy among others. Similar to a gaming platform the augmented reality (AR) and virtual platform (VR) will be adapted to the business platform. The magnitude of this change will increase as the demand for speed increases coupled with cost accuracy. Therefore we as a business entity and country need to adapt faster, capitalize on the opportunities and achieve an edge over the competition.

CASA:- You mentioned about the e-B/L. In future will it be common practice to do away with the traditional B/L? Hence, what will be the advantages and challenges to shippers and receivers

and the security concerns impacting letters of indemnity?

First and foremost we need to alter our archaic belief about the fact that the physical signed copy is safer than the digital copy as it is easy to make a fraudulent document from the hard copy than the digital copy and it has been proven. As well, we did a study to identify the effectiveness of the digital B/L and the result was a saving of USD250 per document if you opt for a digital document. All the additional documents required for short transits such as bank guarantees are avoided with this method.

In case of security measures, the documents are saved in a block chain and can be accessible only to permitted individuals or entities/ departments and they will only be able to view the documents pertaining to their requirement so there is no infringement of trust.

CASA :- The e-commerce platform has grown in the ASEAN market place compared to the rest of the world. What would this mean to the maritime sector of SL?

Dr.Prasantha Jayamanne :-

While e-commerce was prevalent on a small scale in the country prior to the pandemic, it had a significant growth spurt following the onset of the pandemic as the environment was conducive for the development of e-commerce through social media platforms and numerous applications. New markets have emerged in various spectrums with SMEs having direct access to customers from around the world.

This will boost the local industry as we can optimize on our location advantage and air traffic controls and MCC consolidates to maximize on the flow of goods being transported through the mushrooming SME e-markets. To be on par with the growing market trends we need to ensure that all aspects related to transporting goods can cater to the demand.

CASA:- What is the value of using digital practices for operational management to reduce human touch points to reduce human interaction, reducing the usage of paper which is a major industry requirement. Are there any regulations that may need any amendments or modifications to facilitate these while ensuring the proper risk management practices?

Mr.Sudatth Silva:-

Most of our government agencies are responsible for implementing the necessary measures in the development. Thankfully the Electronic Transaction Act came into force in 2006. This particular law is drafted and based on the UNCITRAL model law and is a comprehensive document covering the entire spectrum of electronic transactions. In my opinion, the e-transaction Act covers all aspects in conducting business using digital platforms but there are certain concerns. For instance we need to pay special attention to the Data Privacy (DP) area. We are still in the process of developing the necessary legislative provisions for DP. When transactions are conducted one of the most important areas of concern revolve around the DP. It is being addressed by the Ministry of Digital Technology. While the Digital Transaction Act is in place a separate regulation has to be drafted implementing the digital signature which is still in the approval stage. Once it is approved we will be publishing it and the legal framework will be solid.

Closing remark by **Dr.Jayamanne:**

While the subject of digitalization is broached in all parts of the world- Sri Lanka too is embracing it with zeal. I am grateful to CASA for the initiatives and actions taken to promote this platform which has seen the regulators and stakeholders proactively engaging in a forward thinking trajectory that everybody fundamentally agrees on; Digital Transformation in the Maritime Industry is the way forward for Sri Lanka in achieving the goal of being a leading maritime hub.

CASA CONDUCTS THEIR 55TH ANNUAL GENERAL MEETING VIRTUALLY

CASA, the voice of the shipping industry held their Annual General Meeting on 17th August 2021 virtually with the attendance of over 100 members and stakeholders.

Ms. Shehara De Silva, Group Managing Director of McLaren's Shipping Ltd was elected as Chairperson creating history as the first woman chairperson of CASA. Mr. M.I.S. Sabar, Group Director of Hayleys Advantis Limited was elected as Vice Chairman and Mr. Janesh Ratnadasa, Executive Vice President of Asha Shipping Ltd. was elected as the Treasurer.



The following speech was made by the Chairperson after assuming duties as Chairperson CASA.

Minister of Ports and Shipping honorable Rohitha Abeygunawardana, State Minister of Warehouse Facilities, Container Yards, Port Supply Facilities & Boats & Shipping Industry Development, Hon. Jayantha Samaraweera, & honorable Secretaries to the above Ministries U D C Jayalal, and Dhammika Mataraarachchi, Director General of Merchant Shipping Mr. Ajith Seneviratne, Director General of Customs Maj. Gen Ravipriya, Chairman of Sri Lanka Ports Authority captain Nihal Keppetipola, distinguished invitees from Government authorities and industry associations, Members of the CASA Advisory Council, Past Chairmen of CASA, executive committee members and fellow CASA members,

It is with great honor that I address you all as the newly elected chairperson of the Ceylon Association of Shipping Agents. I thank you all for the confidence placed in me to lead this prestigious association. With a rich history dating back to 1944, CASA has been the bedrock institution which has played a pivotal role the shipping industry. The past chairmen have been visionary and resilient throughout the years and continue to provide direction and support to CASA in their advisory capacity. I thank you all for inspiring me to take on this mantle and I am confident to serve our members and work for the betterment of our industry in these unprecedented times.

Let me also take this opportunity to congratulate Shano Sabar and Janesh Ratnadasa on being elected as vice chairman and treasurer and I am confident we will work as an excellent team. I wish to thank outgoing chairman Iqram Cuttilan for the leadership given to Exco in the past two challenging years and wish to seek your continuing support as immediate past chairman.

I would like to take this opportunity to thank CASA Exco and subcommittee chairpersons for the excellent work done. I must appreciate and honor the services of the CASA Secretary General

Ralph Anandappa who is also a past chairman has been a tower of strength and also a valuable source of knowledge in any issue we are faced with.

Maritime hub and economic potential ± priorities for government

Ladies and gentlemen, the ports of Colombo, Hambantota, Galle and Trincomalee are strategic national assets with the shipping industry at its core. The importance of the shipping agents as an exporter of services, facilitators of trade and earner of valuable foreign exchange as has been in fact underplayed. The geopolitical and economic importance of the island's strategic positioning and how to reap the full potential has been discussed and debated in many forums.

CASA has recognized the top priorities for Sri Lanka to monetize the ocean economy and transform from being a transshipment hub to serve the region as an integrated maritime services center. High on the priority list would be to build state of the art port capacity and infrastructure to cater to all types of vessels including container, break bulk, ro-ro and cruise ships keeping abreast with developing regional ports who continue to offer an attractive alternative to shipping lines. In 2021 we have seen a significant development of the long awaited operationalization of the east container terminal after a lapse of 5 years. The industry is hopeful that the full potential of this terminal will be achieved by procuring the cranes and equipment as per the schedule. We wish to thank our Minister honorable Rohitha Abeygoonewardana in his commitment to take active and timely decisions to the issues faced by the industry and always give a fair hearing to the industry stakeholders.

On the same note we wish to extend our fullest support to the Sri Lanka Ports Authority, SAGT and CICT in marketing the port of Colombo with

the shipping lines and growing the volumes of vessels and cargo and work hand in hand to further improve the process efficiency through digital transformation which is the need of the hour. The industry eagerly awaits the implementation of an integrated port community system which will greatly enhance the ease of doing business ranked high on the priority list. Further, CASA also will continue to work closely with all the border agencies who are stakeholders in our industry such as customs, immigration, director general of merchant shipping, ministry of defense and ministry of health and stress the importance of timely resolution of practical issues faced in day-to-day operations.

CASA members have also been instrumental in developing the value added ancillary services to ships such as supply of bunkers, provisions, facilitating crew changes, marine waste management and marine insurance. Developing the regulatory landscape and physical infrastructure further to improve the quality and speed of these services at competitive pricing is yet another vital area for government and policy makers to take note. CASA members along with the Ceylon Shipping Corporation have been pioneers in building the country's base of ship owners. Vessel ownership along with ship managers, supplying ship's crew and maritime education centers all need to be incentivized and promoted as part of the national maritime priorities, which in turn contribute as a key forex earner to the nation.

Global Issues in past year and role of industry and CASA

Globally, ports are facing a back log as COVID 19 pandemic continues to cause havoc in the world's supply chains. The capacity crunch and surging demand, supply restrictions has led to shortage of equipment and space, longer turnaround time of containers and soaring freight rates. Despite the

challenges, the port of Colombo and the shipping services stakeholders have continued to function and facilitate essential services and commodities through the lockdowns. The front-line staff did in deed rise to this challenge by risking their own safety and innovating to transform digitally and continued to serve the trade. Shipping lines are by law not permitted to collect Terminal handling charges as a separate charge as they do in regional ports, and this makes Colombo a less attractive and costly destination. Shipping agents have faced a daunting task of advocating for space on vessels for import export cargo and convince lines to reposition containers to Colombo despite the restrictive local regulations.

The past year 2020/ 2021 has brought some unique challenges and CASA has been in the fore front , actively engaged in providing practical solutions. The pandemic brought an unique opportunity for Sri Lanka to position ourselves as a crew change hub for foreign seafarers. CASA identified this opportunity and advocated to his excellency the President Gotabaya Rajapaksa to enable the transfer of the sea farers through industry operated transport and isolation centers under the watch of the Sri Lanka Army and Navy and strict health protocols. Infact, CASA was instrumental in drafting the standard operating procedure and initializing the service by marketing it to our principals. While being allowed to operate, CASA operations team were able to safely transfer over 3000 seafarers

It is however now unfortunate that this service of transfer and operation of isolation centers is in fact monopolized by one party and casa is unable to secure the required permissions to operate despite the criteria being fulfilled. This has resulted in loss of volume of sea farers handled in Sri Lanka ports and valuable foreign exchange for the member and the country. Similarly, casa members who are key stakeholders in the transport of




Ms. Shehara De Silva
Chairperson
CASA
Group Managing Director
McLarens Shipping Ltd.

PLATINUM SPONSOR
Mc
McLARENS GROUP

GOLD SPONSOR
HAYLEYS
ADVANTIS
GOING BEYOND

SILVER SPONSOR
Ashken Spence
Maritime | Freight | Logistics

BRONZE SPONSOR
SAGT
PORT OF COLOMBO SRI LANKA



Mr. M.I.S. Sabar
Vice Chairman
CASA
Group Director
Hayleys Advantis Limited

PLATINUM SPONSOR
Mc
McLARENS GROUP

GOLD SPONSOR
HAYLEYS
ADVANTIS
GOING BEYOND

SILVER SPONSOR
Ashken Spence
Maritime | Freight | Logistics

BRONZE SPONSOR
SAGT
PORT OF COLOMBO SRI LANKA



Mr. Janesh Ratnadasa
Treasurer
CASA
Executive Vice President
Asha Shipping Ltd.

PLATINUM SPONSOR
Mc
McLARENS GROUP

GOLD SPONSOR
HAYLEYS
ADVANTIS
GOING BEYOND

SILVER SPONSOR
Ashken Spence
Maritime | Freight | Logistics

BRONZE SPONSOR
SAGT
PORT OF COLOMBO SRI LANKA



private maritime security personal and have developed a thriving industry over the years using Galle as a transfer point to vessels prior to entering the high-risk area. It is vital that we continue to give a competitive offering to sea marshal companies to affect their transfers using Sri Lanka as a base and not lose out to the low-cost alternative of the floating armories in the red sea.

The most unfortunate incident of the MV- Xpress pearl was also another event which shook the entire maritime community. This incident was also an eye opener to the liabilities faced by the shipping agent. The role of the agent has been highlighted through this incident as a party who is criminally liable in the event of a pollution incident, even though the agent does not control the vessel nor the stowage of dangerous cargo on board vessels nor does the agent pack the containers and therefore in no position to confirm that same is as per IMO standards as required by the port authority declarations. Casa has taken an active role to advocate for amendment of the relevant act to position the agent in line with his actual responsibilities of reporting the dangerous cargo details to the ports authority in time and notify any damage thereof in time. We stress that if the agent has not shown any

negligence in this respect that in fact, he should be indemnified of criminal liability arising from the pollution as is the case in other countries.

Over the years, CASA has been a key stakeholder in the formulation of national policy in line with the national interest and fostering entrepreneurship. The past year proved the value of having local ownership in shipping agency business as foreign exchange was in fact retained within the country and not entirely repatriated, if in fact the ownership was entirely foreign. The much-debated topic of liberalizing the shipping agency business to make Sri Lanka a maritime hub has in fact proved to be a myth. These are false impressions created by vested interest when in fact the industry is already liberalized.

Education and youth

CASA is a strong believer in continuous knowledge and capacity building and disseminating relevant information to in this highly changeable and dynamic industry. Our education subcommittee continues to organize relevant programs and collaborate with education institutes for the training of shipping agency personnel onshore

and offshore. The casa publicity committee has made the casa e- ship schedules a must- have bulletin and made the bridge magazine an extremely interesting publication encompassing a much broader range of topics surrounding the maritime landscape. The future of the industry is our youth and casa's youth arm young ship have played an engaging role in the industry fostering the growth of young shipping professionals.

Gender and future

Ladies and Gentlemen I have a mammoth task at hand and I am confident to say I am not afraid of hard work and my passion and commitment to the industry is strong. It is fair to say that our industry too is evolving – me - addressing you today as the first women Chairperson at the helm of a largely male-dominated association and industry – is a testimony to this. While thanking you all for the support I have received in the industry so far, I want to stress that I hope to see more women in this industry creating waves. I do not advocate feminism as a means create separation with genders but believe in men and women working together for a common objective. My only and humble request is that we can all be aware of

The future of the industry is our youth and CASA's youth arm young ship have played an engaging role in the industry fostering the growth of young shipping professionals.



unconscious bias against women in our industry and work towards a more level playing field enabling women to rise and contribute creating gender parity and ultimately reap the proven economic benefits for all.

On that note, I would once again like to thank all of you for joining us this evening, and I would especially like to thank the AGM committee headed by Dhamitha and Bevin and all casa staff who made a tremendous effort to organize casa's first ever digitally broadcast AGM despite the changes in regulations at the final hour. With all your support I am confident that casa can continue to be the most recognized voice in the shipping industry in the coming years.

Stay safe , Thank you and May God bless you all !

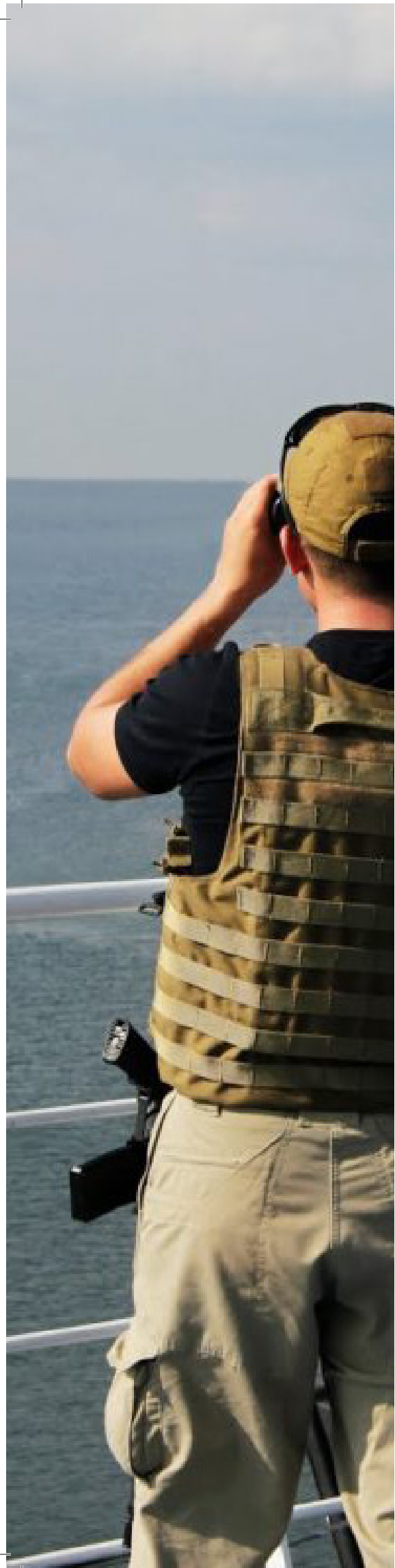
Ceylon Association of Shipping Agents

The Ceylon Association of Shipping Agents, well known by the acronym CASA, is the voice of the shipping industry of Sri Lanka and has served the industry with unwavering focus and dedication since the association began as the Ceylon Shipping Committee in 1944.

Its members represent all international shipping lines who call Sri Lankan Ports due to its very strategic location in close proximity to the main international shipping lanes.

Members of CASA are involved in vessel agency, husbanding services and act as manning/crewing agents for leading ship owners and managers. CASA members also provide various other services to ship owners/managers in the ports of Sri Lanka and at off port locations.

Through regular dialogue with stakeholders; Government institutions, regulatory bodies and other government and private sector agencies, CASA seeks to effect an interchange of ideas and information, represent and advocate the views of the association in all official fora and shape the future of the industry by investing in education and training for its members and working with maritime training academies to train Sea farers.



**SRI LANKA:
STRATEGICALLY POSITIONED TO SERVE
THE BURGEONING GLOBAL MARITIME
SECURITY TRADE**

IN LIGHT OF INCREASING THREAT TO THE MARITIME INDUSTRY

by Ceylon Association of Shipping Agents (CASA)

Last week's incident in which a drone attack to the 'Mercer Street' left two of its crew dead proves the paramount need of Maritime Security. Similar to any industry today, the maritime industry is no less dynamic and pioneering. In recent years the industry has witnessed ground-breaking innovative changes with more focus on the nascent Maritime Security sphere.

Ever since 2010, Sri Lanka's approach to global maritime security could be characterised as being more assertive. Following the cessation of the war, Sri Lanka, specifically the port of Galle has been functioning as a hub for operations pertaining to the logistical solutions offered to a number of international shipping lines. Through this lucrative avenue, Sri Lanka has fulfilled one of the crucial elements in its post-war transformative objective in being considered as a relevant and credible player in the region.

Speaking to industry experts from CASA provides an insight into the dynamics of the Private Maritime Security Operations (PMSC) in Sri Lanka.

Q: What is the preamble to the inception of this industry in Sri Lanka?

The country of Somalia became birthplace of the new age of piracy after the collapse of the government in 1991, fierce civil war, and the birth of the inefficient new government. Set on a strategic point on the Horn of Africa, Somalian-fisherman and ex-militia begun to raid the shipping lanes in the narrow sea channel known as The Gulf of Aden. These attacks created a massive economic impact, as international military fleet patrol these waters daily.

With the emergence of piracy at sea off Somalia and in the Gulf of Aden, we have expanded our business portfolio to provide comprehensive maritime security solutions to vessels transiting high risk areas (HRA) in the Indian Ocean, Red Sea and the Gulf of Aden. The Ministry of Defence, Sri Lanka, has authorised the Global Private Maritime Security Companies to provide maritime security services through their appointed respective shipping agents to handle embarkation / disembarkation of armed maritime security teams from the Port of Galle, Sri Lanka.

Q: What is the significance in opting for Galle?

The globally recognized Private Maritime Security Companies has opted for Galle as the perfect location East of the HRA, enabling ships to get their weapons and sea marshals off or on depending on the route the vessels are taking.

Q: What are the attractive offers provided by SL?

Approximately twenty five local shipping agents represent a number of globally recognized private maritime security companies and these foreign private maritime security companies obtain

contracts from ship owners to provide the security guards for the ships, while we the agents provide the logistic facilities in terms of Land to Sea (vice-versa) transfers, Air Port Transfers, Liaising with the Sri Lanka Navy for the storage of the weapons & equipment in the Naval Armory, Accommodation etc.,

The Weapons and the Sea Marshals are owned by private maritime security companies who are registered with the International Maritime Organization (IMO).

Q: How has the country benefitted from this category?

Essentially the demand continues to generate foreign exchange with a significant growth spurt economically. It has also created niche industries due to the indirect involvement of hotels and transporters.

While initial preference was granted to European security marshals, the potential for our own ex-militia personnel has grown throughout the years. Further the government approved tertiary educational institutions offering programs in subjects pertaining to maritime security on par with international standards has enabled civilians to be trained in the field, providing ample opportunities for employment.

Q: What are the volumes generated since inception?

At its peak from 2010 to 2016, we had unprecedented volumes of 900 vessel calls a month which never existed in the port of Galle. Yet there was a significant drop in volume despite the increase in demand due to the floating armories that are sporadically and haphazardly set up in the ocean and pose a threat to a more ethical functionality.

Q: What caused the shift?

Due to the beefing up of security measures in the international HRA waters, the impact through piracy drastically declined, yet the demand for security continues to rise despite the reduction of PMSC operations.

Further, the mushrooming effect of the floating armories poses a threat to what we offer as an authentic service.

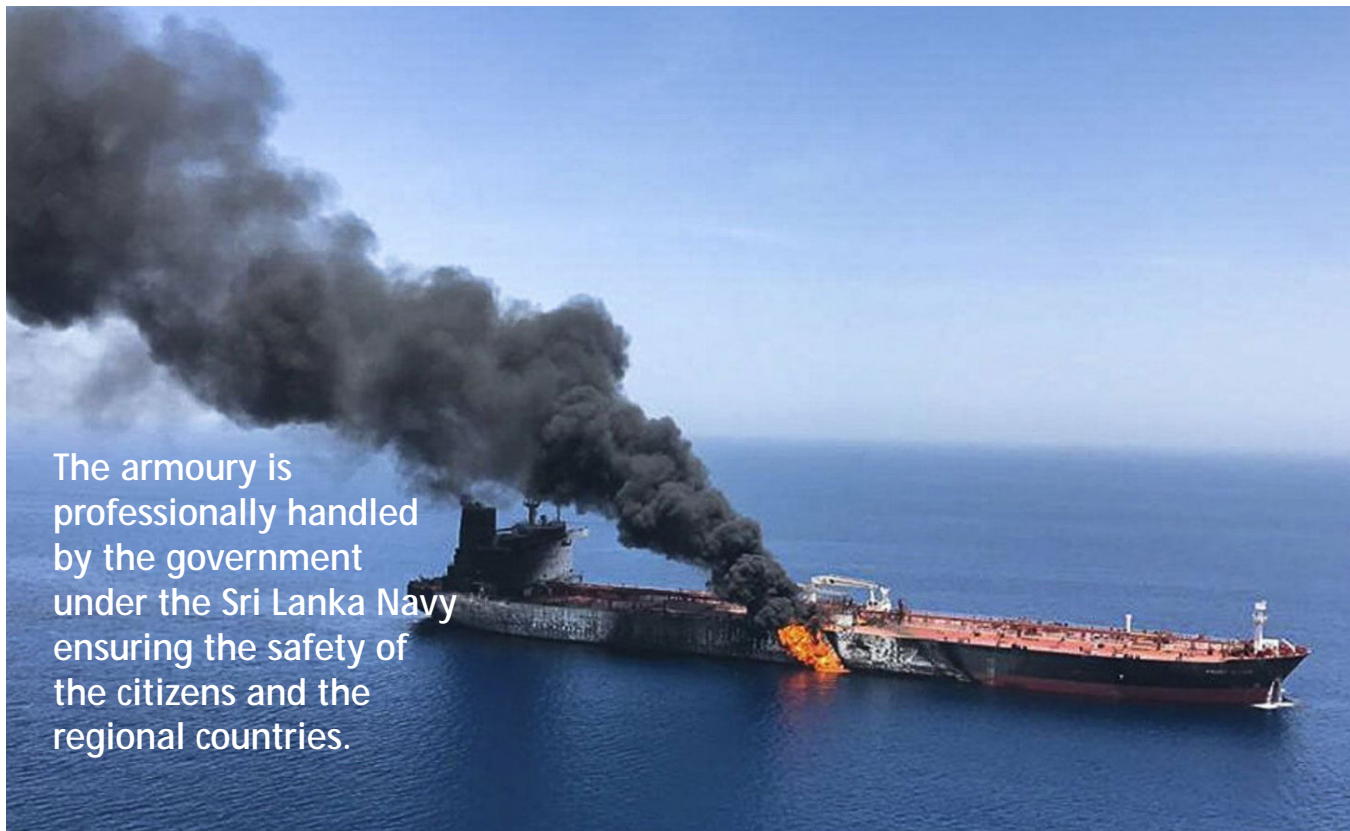
The clients should realize that the floating armories are not a practical alternative despite the reduced cost as the unethical and severe inhumane malpractices associated with such is heavily unregulated with these contraptions gaining notoriety as rampant infectious zones. Therefore the onus is on the shipping company to choose wisely.

Q: How has pandemic impacted the local industry and what are SL's USPs?

Charting through stormy seas within the context of the 'new world' has not been an easy feat but due to the high demand associated with the PMSC industry to SL, the Navy took the initiative to follow the government directives to provide uninterrupted service in Galle without any risk of infection to all concerned.

This timely intervention was instrumental in generating vital foreign exchange to the country when all the other avenues were impeded. Revenue generation persisted uninterrupted in addition to the increase in service opportunities for local sea marshals due to the implementation of travel bans in several other countries.

Moreover, we have been commended as one of the very few locations that provides a much needed respite for sea marshals as most are restricted within the confines of the ship for several months. Due to the pandemic, the situation has exacerbated for sea marshals as many ports have banned them from disembarking and visiting



The armoury is professionally handled by the government under the Sri Lanka Navy ensuring the safety of the citizens and the regional countries.

their loved ones but due to the stringent precautionary measures implemented by our Health Departments it has been possible to disembark without the danger of transmission even during the height of the government imposed lockdown as the industry only paused briefly, commencing operations within a matter of days.

This was made possible by mainly the Navy and other authorities who spearheaded the initiative to come up with a SOP regulation guideline inculcating heavy involvement, monitoring and supervision from their end to ensure a framework was set up to do these Sea Marshal embarkations and disembarkations in a safe and secure manner. Incidentally, a strict protocol is in motion if someone is tested positive for Covid-19. They have been granted authorization to follow the measures accordingly within a bio bubble concept in order to curb the community transmission. Due to the effectiveness of the process, the work has continued without disruption enabling the industry to flourish and continue unabated.

Q: What are the concerns raised during this period?

The threat to the industry which is based mainly on cost is felt profoundly as the SOP has altered drastically and the additional safety methods such

as PPE, sanitation, usage of multiple vehicles and rooms as its imperative to maintain the one meter distance when transporting and lay overs.

At the initial stages of the pandemic we were at a critical juncture as the shipping community initiative required the quarantine centers for the SL Sea Marshals to be managed by the Navy but due to priorities on recruitment, they had to exit the facility. Thereafter, the shipping community took the initiative and arranged the quarantining of SL sea marshals at an affordable, and economical cost.

While many would value safety above cost, especially during these uncertain times when health is of immense value, we face challenges by low cost, low budget floating armories which are set up sporadically without proper health protocols.

The clincher in terms of USPs is the unparalleled location as there is no other alternative East of the HRA where it's safer for sea marshals to sign off if it's an East bound vessel or sign on if it's a West bound vessel with their weapons and ammunition kits.

Aptly called the pearl of the Indian Ocean, Sri Lanka possesses a relatively battle-hardened navy, specifically in the sphere of asymmetric maritime warfare. The armoury is professionally handled by the government under the Sri Lanka Navy ensuring the safety of

the citizens and the regional countries.

Additionally, the logistical facilities provided for the sea marshals outrivals the rest from the villas to transport to the repatriation opportunities as Sri Lanka per se is a hub, making overseas travel easy as the flights are connected to any location in the world.

Moreover the USP during the pandemic is exemplary leaving no room for failure, success rates to date handling the sea marshals in a superior manner ensuring the safety of all concerned. Covid 19 task force rules followed strictly by the Ministry of Health and the SL Navy in a humane, responsible way.

Q: Who does the industry owe its success to?

While there is multiple stake-holder involvement since inception for the industry to 'sail smoothly' (pun intended), there are a few governing bodies that deserve to be named individually; The Ministry of Health and all other ancillary and auxiliary services, Sri Lanka Navy, hotel providers and transporters especially those who stepped in at crucial moments, and the Ceylon Association of Shipping Agents (CASA). Manpower companies providing the sea marshals and others who continue to render their unstinted support to make this initiative a resounding success for Sri Lanka.



YOUNGSHIP CONDUCTED A PANEL DISCUSSION TO LOOK INTO THE MAJOR ISSUES FACED BY THE MARITIME INDUSTRY.

In what has been 2 years of unprecedented challenges unlike ever faced before in this generation, the traditional way in which businesses operated prior to the pandemic seem to be a far cry from how they operate today. Processes which were considered normal in the past have now become defunct or obsolete and we have moved onto what is now call the "New Normal". YoungShip Sri Lanka being the voice of the youth in the Maritime Industry and having ambition to drive a better and improved tomorrow decided to conduct a Panel discussion to look into the major issues faced by the maritime industry. The Maritime industry too has not been spared and has been forced to embrace change. Therefore looking at some of the challenges faced within the industry, a panel discussion on "New Normal in Shipping, Are Current Shipping Trends here to stay" was conducted.

This discussion included an esteemed panel comprising of elite personalities who are at the height of their own respective careers bringing to the table a wealth of diverse knowledge from their respective fields. The distinctiveness of this forum was the participation of key officials holding senior positions in each of the main shipping & logistics associations in Sri Lanka, being hosted together at an insightful discussion for the first time. The panel comprised by Mr. Iqram Cuttilan – Chairman -CASA, Mr. Shamal Perera – Chairman – SLAVO, Mr. Roshan Silva – Chairman – SLAFFA, Mr. Imalka Kumarapeli Vice Chairman - Shippers Council, Mr. Harsha De Silva – Chairman- SLANA and Moderated by Mr. Navin Perera - YoungShip Sri Lanka Patron.

The pandemic has brought along its own unique problems and challenges. There were many questions posed on whether Sri Lanka was attractive to shipping lines, whether the port of Colombo was indeed congested, the ability of importers

and exporters to obtain space, the equipment availability and whether local exporters were losing out market share to other competing countries in the region due to a shortage of space just to name a few. Covering these topics and hearing the perspective from the Shippers, Vessel operators, freight forwarders, NVOCC operators and CASA made the discussion truly unique. Youngship has taken a big step to be one of the first associations in the industry to address this current topic amongst a forum of panelists heading key associations in Sri Lanka and launching the discussion on social media making the knowledge widely accessible to the shipping fraternity as well as the general public.

YoungShip Sri Lanka is a part of YoungShip International which was formed to be the voice for young people in the maritime industry. YoungShip core objectives are to promote young entrepreneurs and the other is to drive companies to promote and inculcate value for the growth of young professionals. Headquartered in Norway, YoungShip is present in 18 countries with a membership of over 3000.

The full discussion can be found either via following the below link or simply scanning the QR code,

https://www.youtube.com/watch?v=GriM_bTOc80&t=3s.



The image is a composite of two photographs. The left side features a blue-tinted view of a port terminal with a large gantry crane and a sign that reads "SAFETY FIRST". The right side shows a yellow gantry crane in a port setting. The text is overlaid on the blue-tinted portion.

**AN
INTRODUCTION
TO PORT
COMMUNITY
SYSTEMS,
DIGITAL
SOLUTIONS
TO BOOST THE
PERFORMANCE
OF TRADE
COMMUNITIES**

SAFETY FIRST



By
**HERVÉ
CORNÈDE,**

**Chairman of the Executive
Board and CEO of SOGET**

Mr. Hervé Cornède is the President and Chief Executive Officer of SOGET, a publisher of software solutions that facilitate global trade and the global leader in Port Community Systems. SOGET has been based in Le Havre since 1983.

He is responsible for managing the company and for relations with its partners and customers in France and abroad.

Before joining SOGET in 2018, Hervé Cornède was Commercial and Marketing Director of the HAROPA ports group and a member of the board of the Grand Port Maritime du Havre port authority.

His long port experience is matched by his in-depth knowledge of the logistics sector as Delegate General of the TLF logistics industry group and Deputy Delegate General of the FFOCT forwarders group and the AUTF freight customers association.

Hervé Cornède earned a postgraduate DESS degree in International Transport and Logistics in 1988 and has been a French Foreign Trade Adviser (CCEF) since 2014.

The digital shift of ports

The world's biggest ports are facing major challenges, in terms of information systems evolution.

To remain competitive, Port communities, must operate a real technological, digital, and environmental leap. They not only have to invest in sophisticated infrastructure and facilities to match their ambitions; they also have to reinvent and re-engineer their logistics I.T. systems to meet new requirements in terms of disrupting technologies as well as sustainability.

Foreign trade competitiveness relies, in particular, on the capacity of the logistics ecosystem to shorten the processing time of incoming goods while respecting the rules and regulations in force. Of course, investing in high-performance facilities to equip ports, airports or hinterland is necessary, but the physical flows can only be efficiently handled if they are facilitated by powerful digital tools.

Indeed, the transport of goods from point A to point B must be done in strict compliance with regulatory and reporting obligations. It involves an average of 20 public and private stakeholders: freight forwarders, shipping agents, air - road - waterway agents, terminal operators, warehousemen, customs, port, airport, and border control authorities... At each stage of its route, any handled goods must be declared, announced, authorized, controlled, certified, just like the involved parties, and each stage generates the creation and the issuing of about 40 documents and around 200 million data exchanged. Some documents and data must be transmitted to several different operators. For example, in addition to customs, other administrations (such as phytosanitary control or public health or environmental protection controls) have the prerogative to examine and authorize the entry of goods into a territory. The lack of information exchange between these agencies results in trade operators losing time for having to provide the same information to different agencies, which then subject them to multiple inspections at different times.

The Emergence of Port Community Systems

The increase in the volume of goods exchanged each year on the one hand and the emergence of new technologies on the other hand, have led administrations and private stakeholders to establish their own information systems dedicated to the mass processing of formalities.

Faced with the multiple existing information systems and to avoid the need to submit the same data into several information systems, ports, administrations, private sector communities and governments have worked since the 1980s to set up shared digital one-stop shops. These digital platforms provide a single point of entry for Supply Chain stakeholders to centralize, aggregate and disseminate data from their systems to the various information systems. Over the last two decades, a few digital companies have pioneered this revolution by offering information systems for port communities : Port Community Systems (PCS). These are neutral and open digital platforms that enable the exchange of information between private and public stakeholders: port, airports, and logistics communities' players on the one hand, and the administrative authorities in charge of foreign trade and of the safety and security of cargo flows, and particularly customs, on the other.

SOGET, French World leader in PCS

French software publisher SOGET is one of the world leaders in the development of Port Community Systems. This Company was created within the French port community of Le Havre in 1983. It produces software solutions dedicated to facilitating global trade. SOGET key focus is Port Community Systems (PCSs). It also offers a wide range of solutions for the different operators in the logistics chain, including Port Information Systems, Warehouse Management Systems, e-customs, or e-government systems.

SOGET systems are used in the main French ports, both on the mainland and in overseas countries and territories,

as well as in Africa, Asia, and the Caribbean.

Gathering more than 100 employees and generating 14 €Million turnover in 2019, SOGET equips today 54 terminals worldwide (airports, sea and river ports, border posts) representing 25,000 daily users who handle a total of 575 million metric tons of goods, 15 million TEUs (twenty-foot equivalent units) and 500,000 vehicles worldwide. SOGET digital platform processes yearly 200 million messages.

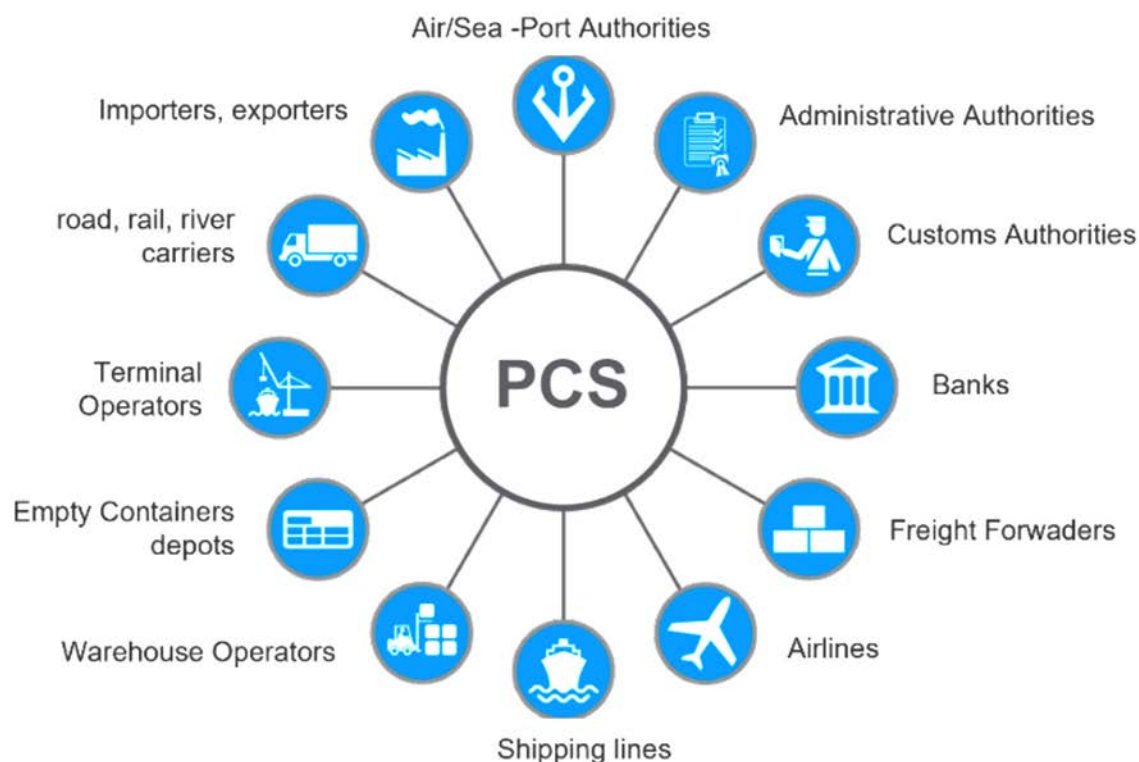
What is a PCS?

SJONE is the fourth generation of PCS developed by SOGET. Based on the latest Microsoft technologies, of which SOGET has been a gold partner since 2011, this PCS is one of the most advanced in the world since it has been designed upon 40 years of customer experience in the service of global trade facilitation. SOGET's mission is to meet two main objectives: to reduce the time needed to ship goods, to simplify business processes by automating administrative processing as far as possible and to secure data in compliance with international standards. To this end, the tool must be as easy to use, as complete and as interconnected as possible.

SJONE centralizes and automates the administrative, logistical, and commercial flows related to the passage of goods through a single point of entry for data, regardless of the type of goods or its means of transportation, for import, export, or transshipment.

The scope of a PCS, in terms of the activities connected, the geographical and functional scope of the system, the type and quantity of transactions generated, differs from one port, airport or country to another. Indeed, these IT tools can be configured to suit the users, depending on usage, local regulations, and the organization of professional communities.

Its scope may cover a terminal, a port or an airport and the warehouses within its boundaries, as well as a transport corridor - i.e. several ports, terminals, or logistics platforms in the same axis, a region, or a country - and all cargo entry, exit or transit points: border posts, sea or river ports, airports, inland



logistics platforms, etc. S)ONE enables to switch from paper to 100% digital and to automate all the processes necessary for the passage of goods; S) ONE dematerializes and automates among others :

- Announcements and declarations: manifest, booking, B/L, shipment, stuffing / unstuffing, empty container,...
- Movements : gate-in, gate-out, loading, unloading,...
- Authorizations from port authorities, government agencies, customs, or private actors,...
- E-Permits : Import, export, and specific licenses,...
- Real-time tracking-tracing with customizable notifications and status history.

In addition to be a universal, scalable, and comprehensive PCS, S)ONE is a smart PCS. Indeed, one of the major progresses in the field of PCS, is the integration of Business Intelligence which allows the collection and processing of Data. S)ONE provides statistics and KPIs , monitoring dashboards, and decision-making support tools that bring even more value to users. A FRANCE CHAMPIONNE DES SOL

Benefits provided by S) ONE for global trade actors:

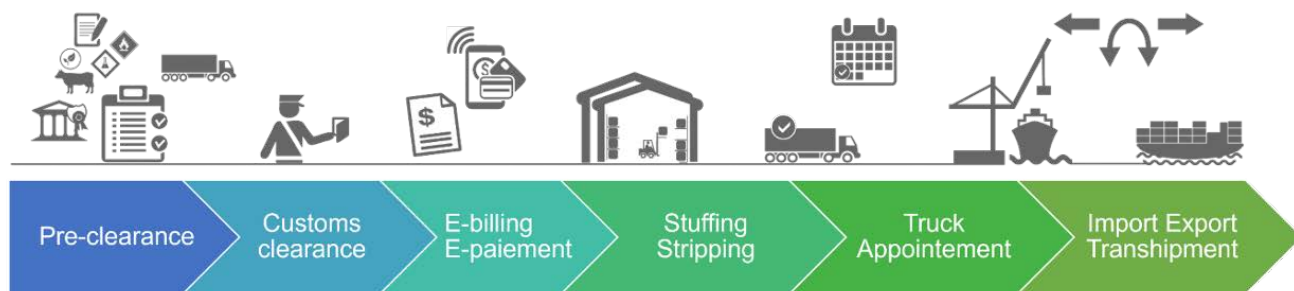
Universal, S)ONE interconnects with any type of Information System whatever the nature of the stakeholder, its size and the data exchange formats to be used. The implementation of S)ONE enables port and airport infrastructures to be optimized.

The user no longer must enter information directly into the PCS, S) ONE communicates directly with the user's internal Information System and retrieves or uploads data in real-time. These interfaces shorten processing times and make the data more reliable. Since data is only entered once, errors are eradicated, and the data is enriched and then consolidated thanks to the actions of the different actors throughout the chain. The data contained in the PCS thus becomes the relevant reference data control tower for local or international authorities. Since every action is recorded and time-stamped in the system, the transparency obtained helps local authorities to prevent from black economy phenomena and to secure government revenues.

The implementation of a PCS is recognized as a highly structuring project for a state, it strengthens the competitiveness and reliability of a port, a region, or a country. Moreover, international organizations record significant improvements in the business environment and economic performance when a PCS is implemented. This is reflected in a higher ranking in the World Bank's Doing Business or Logistics Performance Index. These powerful and structuring digital tools increase the attractiveness towards foreign investors and facilitate the development of trade.

These systems are suitable for airports and ports with large volumes of traffic as well as for smaller ones, regardless of the type of traffic: containerized, conventional, bulk or Ro-Ro. They improve the competitiveness of all the players in the supply chain by ensuring:

- The acceleration of the passage of goods thanks to the automation of procedures and the elimination of inefficient processes.
- The security of the supply chain by providing reliable information in real time.
- The increase in productivity by reducing operating costs [document management, access to information, travel, etc.].



- The simplification and optimization of processes for a better fluidity of information exchanges and goods movements.
- The extension of the traceability of goods and the anticipation of customs clearance formalities, allowing gains in terms of parking allowances for imports, for example.
- The reliable collection of government revenues through transparency and interoperability with customs systems.
- The monitoring of information to measure the overall quality of service of ports and logistics chains with the implementation of Key Performance Indicators (KPI) and the collection of information transmitted to port authorities for statistical purposes for the country's foreign trade.
- The improvement of the Doing Business indicator within the World Bank's Logistics Performance Index (LPI).

A change management project rather than an IT project

SOGET now equips 54 sites around the world. These diverse and numerous deployment experiences now enable the company to boast itself with an efficient implementation methodology.

Beyond the technological aspect, the implementation of a Port Community System is first and foremost a matter of commitment and involvement of all economic players. This requires extremely precise change management, based on an implementation and capacity-building methodology that is constantly being improved, to offer turnkey solutions that comply with regional and international regulations

and that meet the commercial, technical, and functional challenges specific to each community.

The PCS is the community's tool for the global competitiveness of all stakeholders. Gathered around the same tool, they can be competitors as well as providers and customers. For the implementation of a PCS to be effective, the PCS and the operator in charge of the implementation and long-term management of the system must be trustworthy and guarantee the confidentiality and security of the data entrusted by users.

Indeed, the PCS operator and the PCS itself must be completely neutral: belong to all but be in the hands of an independent third-party actor who will defend the interests of all players -large or small, public, or private-. The System must be used by all actors acting within the scope chosen for the implementation of the system. The communitarian approach is essential to guarantee its proper functioning. For this reason, strong support from the authorities - and ideally from governments - is required to ensure the successful implementation of such a platform.

Future of PCS

SOGET solutions are developed 100% in-house. Its teams of architects, developers and system and network engineers responsible for developing SOGET solutions are based in Le Havre, France, as are all testing, support, and deployment teams. That helps SOGET to keep control of its design work and produce tailored software for its customers, while remaining agile independent and neutral. The company control every stage of software production, from design through to delivery and maintenance.

SOGET has been Gold partnering with Microsoft since 2011, showing the high level of skill and expertise SOGET has

shown in producing software based on Microsoft technologies, and particularly cloud computing solutions using MS Cloud Azure. It is a founding member of the International Port Community Systems Association (IPCSA) and of Trafis Lab, the first public-private research laboratory dedicated to facilitating global trade, digital technology, and artificial intelligence.

In order to structure its operational and technological research and prepare the next generations of PCS and related solutions, SOGET has put in place cutting-edge R&D activities, driven by a multi-disciplinary innovation team. The team draws not only on customer feedback, but also on collaboration with a whole network of technological partners, logistics professionals and research laboratories.

To perfect existing tools and develop innovative, value-generating new solutions, work is focused primarily on data processing, block chains, the Internet of Things (IoT), artificial intelligence (AI), business intelligence, large-scale interconnection of information systems, environmental issues, and cyber security. SOGET remain focused on the same goals : smoothing out and securing business processes in the logistics chain and global trade, speeding up information flows to reduce processing times at each stage in goods transit, and ultimately enhance the productivity and profitability of each link in the chain.

PCS at stake in Sri Lanka

Sri Lankan Port of Colombo is the major transshipment hub in Southeast Asia. The Sri Lanka Port Authority is currently in the process of considering the possibility of implementing a PCS in the near future. Embracing this digital transformation would strengthen its competitive position in the global supply chain and ensure that it remains the leading transport hub in the region.

SOGET: almost 40 years of experience facilitating logistics

SOGET was created within the Le Havre port community in 1983 and produces software solutions dedicated to facilitating global trade.

Our key focus is on Port Community Systems (PCSs): digital community platforms interconnecting public and private organizations involved in foreign trade to facilitate goods transit.

We also offer a wide range of solutions 100% "Made in France" for the different operators in the logistics chain, including Port Information Systems, e-customs and e-government systems, and Warehouse Management Systems.

Our systems are used in the main French ports, both on the mainland and in overseas countries and territories, as well as in Africa, Asia and the Caribbean.

SOGET today, in figures:

- 100 employees and €14 million in turnover in 2019, including 25% abroad;
- 53 equipped terminals worldwide (airports, sea and river ports, border posts);
- 25,000 daily users;
- 2/3 of France's foreign trade processed;
- >200 million messages processed by our digital platform.

Our port customers worldwide handle a total of 575 million metric tons of goods, 13.9 million TEUs (twenty-foot equivalent units) and 500,000 vehicles.

SOGET has been a Microsoft Gold Partner since 2011. It is a founding member of the International Port Community Systems Association (IPCSA) and of Trafis Lab, the first public-private research laboratory dedicated to facilitating global trade, digital technology and artificial intelligence.

In late 2020, SOGET and its counterpart in Marseille, MGI, launched France PCS industry group, a digital alliance set to become the key partner of institutions in support of France's competitiveness in the logistics sector.

2021 has seen Brexit produce its effects, for which we updated our solutions, including AP+, S)ONE, and SOGET Customs, and developed new tools for organizations handling cross-channel traffic. SOGET also launched a new module, S)ONE Green, in collaboration with the TK'Blue labelling agency, to enable port and logistics professionals to generate GHG (Greenhouse Gas) and CSR (Corporate Social Responsibility) reports.



Press contact: **Marie Wyciwski**
+33 2 35 19 25 66 • marie.wyciwski@soget.fr



SOGET SA • 4, rue des Lameurs • 76600 Le Havre • France





CEYLINE GROUP



CEYLINE GROUP



FEEDER CONNECTIVITY



COLOMBO COCHIN GULF Service (CCG-W)			
VESSEL	COLOMBO	COCHIN	JEBEL ALI
	SAGT		
CCG WB	SAGT - TUESDAY	THURSDAY	TUESDAY

COLOMBO COCHIN GULF Service (CCG-E)					
VESSEL	COLOMBO	CHENNAI	VIZAG	KRISHNA	KATUPALLI
		FRI	SUN	TEU	WED
CCG EB	SAGT- SATURDAY	MONDAY	WEDNESDAY	FRIDAY	SATURDAY

INDIA WEST COAST Service (IWCS)					
VESSEL	COLOMBO	Mundra	Goa	Mangalore	Cochin
	SAT <td>THU <td>SUN <td>TEU <td>THU </td></td></td></td>	THU <td>SUN <td>TEU <td>THU </td></td></td>	SUN <td>TEU <td>THU </td></td>	TEU <td>THU </td>	THU
IWCS	SAGT- SATURDAY	THURSDAY	SUNDAY	TUESDAY	THURSDAY

INDIA WEST COAST Service (IWCS)		
VESSEL	COLOMBO	TUTICORIN
	JCT	DBGT
TCT	SAGT	DBGT

CONTACT DETAILS

General Manager

Mr. Azad Rawdin
+94 76 1395225

Marketing

Mr. Danushka Goonasekara
+94 76 1395226 / +94 11 4522 047

Mr. Dilendra Peiris
+94 76 1395227 / +94 11 4522 047

Customer Service

Ms. Ridmi Grero
+94 76 1395239

Ms. Oshadie Manoja
+94 76 1395229 / +94 11 4 522 041

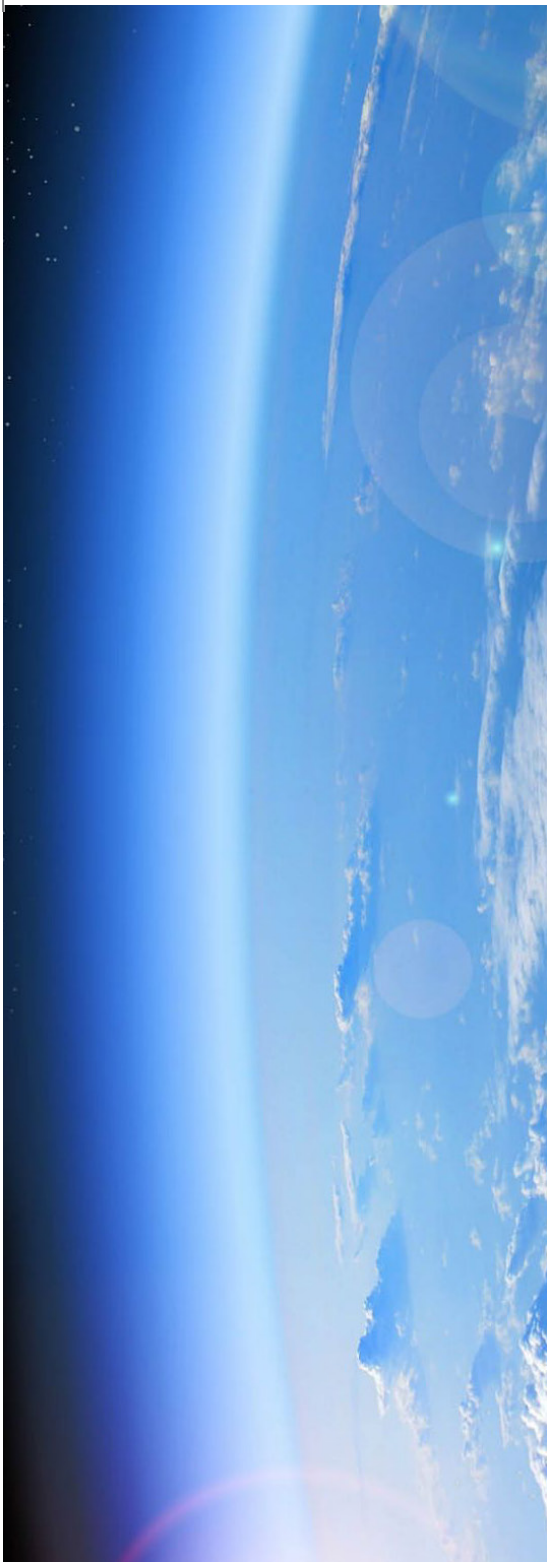
Operations

Mr. Graham Fernandez
+94 77 2762378 / +94 11 4522048

Tel : +94 011 4 522 040

GFS Lanka (Pvt) Ltd.
#01, Alfred House Avenue, Colombo 03.
Sri Lanka.

Email : info@gfslanka.com



HEALING THE OZONE LAYER: THE NEED FOR A NATIONAL COOLING POLICY (NCP) FOR SRI LANKA

Ruwan Samaraweera

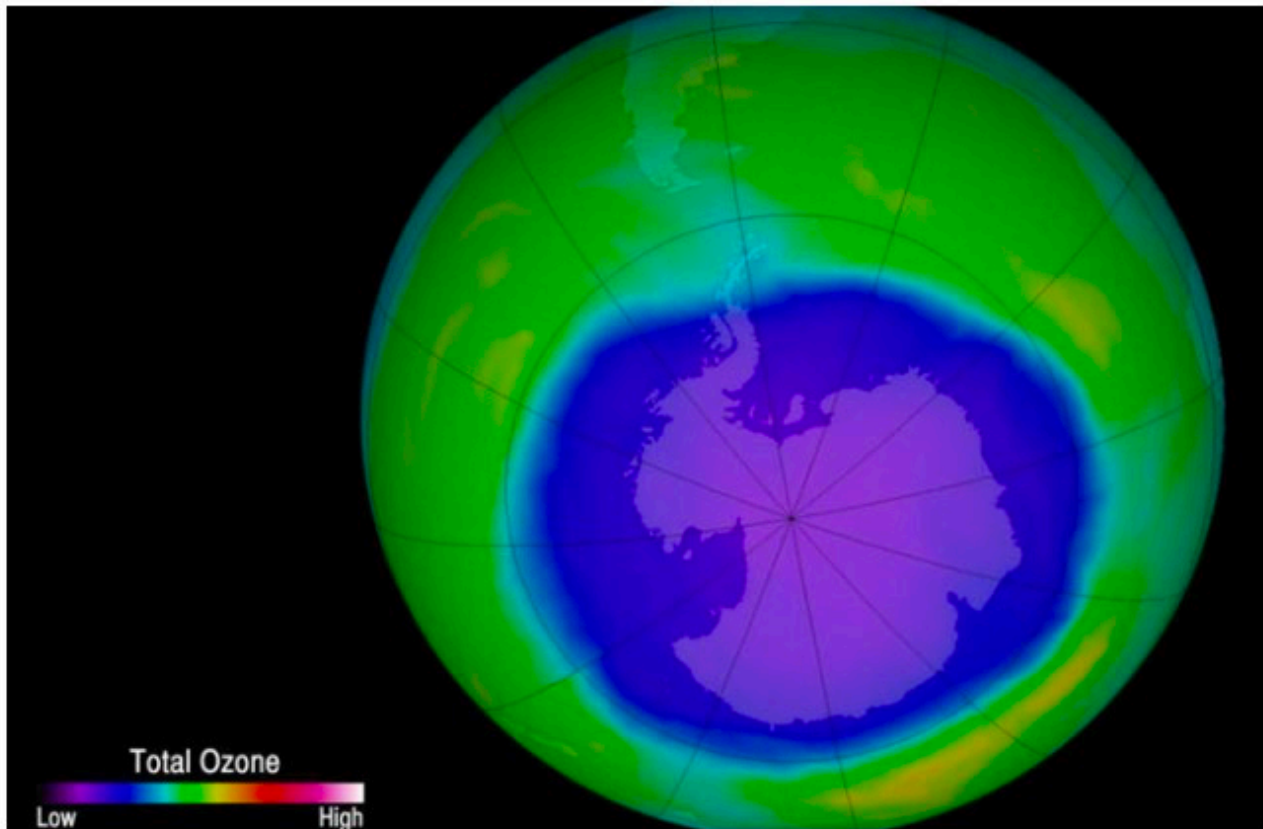
Ruwan Samaraweera is a Researcher Officer and an Ecological Economist working on environment, natural resources and climate change economic policy research at IPS. He holds a BSc (Hons) in Export Agriculture (Second Upper) from Uva Wellassa University of Sri Lanka. He is currently reading for an MSc in Agricultural Economics at the University of Peradeniya.

(Talk with Ruwan - ruwan@ips.lk)



'Talking Economics', the blog of the Institute of Policy Studies of Sri Lanka (IPS)

Figure 1: The largest hole observed in the ozone layer



Source: [Ozone Hole 2015 \(nasa.gov\)](https://www.nasa.gov)

The ozone layer is located in the lower stratosphere at a height of 15 to 30 kilometres above the earth, protecting it against the sun's harmful ultraviolet (UV-B) radiation. It is like a blanket that protects the planet; a reduction in ozone concentration increases solar radiation damaging plants, animals, and human beings. Human-induced depletion of the ozone layer due to excessive emissions of ozone-depleting substances (ODS) which are primarily used in the cooling sector is a major global environmental concern. This blog discusses the importance of a National Cooling Policy (NCP) for Sri Lanka as a part of IPS' ongoing research, to phase out ODS to prevent ozone depletion and mitigate global warming.

RISING DEMAND FOR COOLING

Climate change-induced warming, population expansion, and rapid

urbanisation contribute to the warming impacts on our planet. Acting in concert, these forces are causing an unprecedented growth in global cooling demand, placing over one billion people at risk. There is a substantial and rising usage of cooling in various sectors of the economy to meet significant demands linked to thermal comfort in buildings, agricultural and food supply chains, vaccine storage and transmission, transportation, and industrial operations. It is projected that if cooling is supplied to everyone who needs it – not just those who can afford it – the present baseline of an estimated 3.6 billion cooling appliances in use will nearly quadruple by 2050.

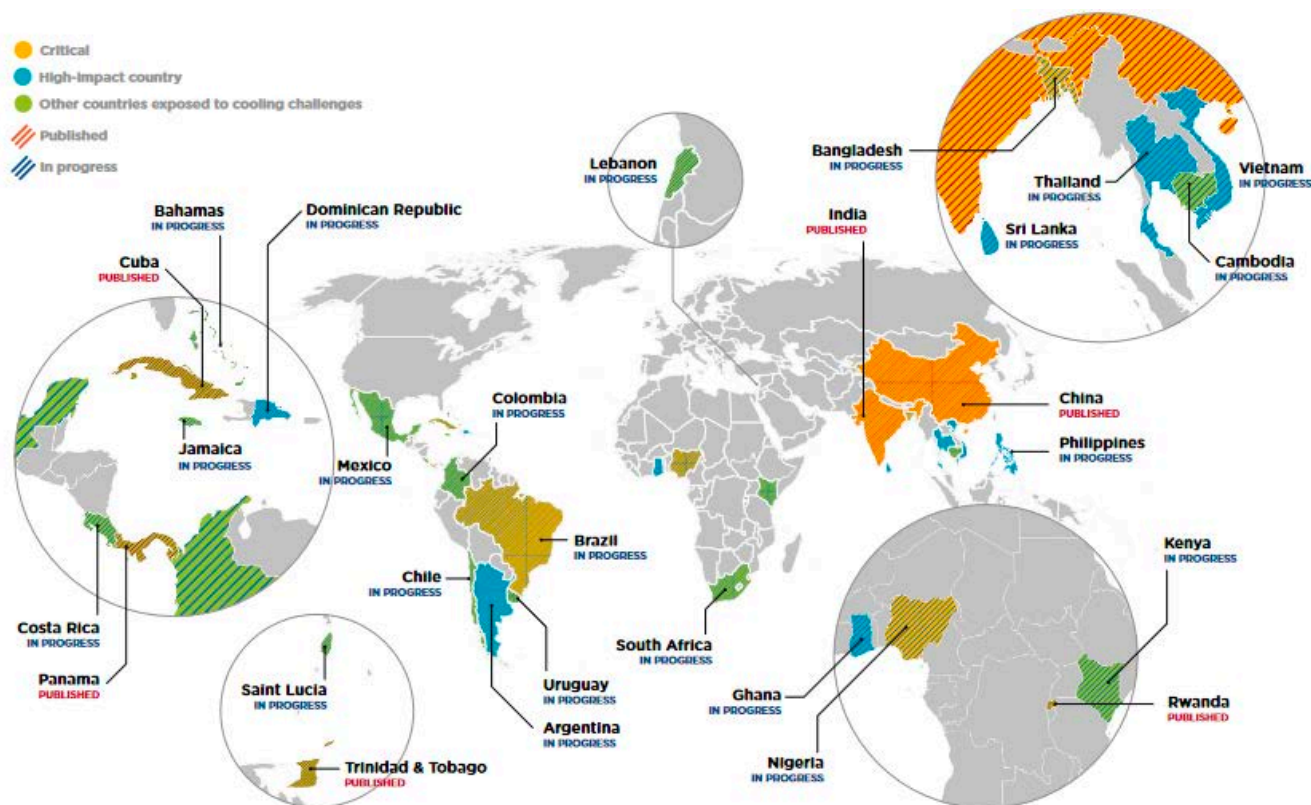
Cooling is the world's fastest-growing source of greenhouse gas (GHG) emissions. The refrigeration and air conditioning (RAC) sector represent 25%-30% of global electricity consumption, indirectly contributing to global CO₂ emissions estimated to

reach 13% by 2030. The RAC sector absorbs a significant share of the national energy supply in Sri Lanka too. The conventional cooling systems are energy-intensive, depending primarily on fossil-fuel-generated energy and climate-damaging refrigerants, leading to rising emissions and exacerbating global warming. According to forecasts, the energy required to cool our buildings would increase by 300% to 6,200 Terrawatt-hour (TWh) in 2050.

COOLING, OZONE DEPLETION AND GLOBAL WARMING

Refrigerant-based cooling systems deliver a large part of cooling requirements. The refrigerants used for cooling are found to be potent GHG that cause substantial damage to the ozone layer and contribute significantly to climate change. Chlorofluorocarbons, or CFCs, widely

Map of countries working on NCAPs and their risk categories



utilised in aerosol cans as solvents, refrigerants, and foam blowing agents remain in the atmosphere for decades and dramatically deplete the ozone layer. Halons, tetrachloromethane, trichloromethane, hydrochlorofluorocarbons (HCFCs), hydrobromofluorocarbons (HBFC), bromochloromethane and bromethene are some of the other ozone-depleting substances. The stock of room air conditioners that will need to meet the cooling demand is forecast to release sufficient GHG emissions to warm the earth by 0.5°C by 2100.

With the signing of the Montreal Protocol in 1987 obliging its signatories to undertake steps to reduce the manufacturing and use of ODS, national agendas were developed to rapidly phase out ODS. However, alternatives to ODS were required to fulfil the purposes served by phased-out substances. Hydrofluorocarbons (HFC) were identified as alternatives

to ODS. Nevertheless, over time, HFC's role in warming the atmosphere became a more significant concern. Hence, at the 2016 Kigali conference, the Montreal Protocol was amended for all countries to gradually phase down HFCs by more than 80% over the next 30 years and replace them with more environmentally friendly alternatives.

THE WAY FORWARD

Shifting towards energy-efficient cooling will enable Sri Lanka to achieve co-benefits in global warming mitigation and ozone restoration. But this shift could disproportionately affect people who lack the financial capacity to purchase more advanced cooling solutions. Therefore, creating a more robust sustainable energy system is required for delivering cost savings through enhanced energy efficiency for stakeholders while reducing GHG emissions. Since cooling is cross-

cutting, tackling cooling requirements efficiently necessitates the involvement of many public and private sector actors, whose interests often clash.

In this context, the Institute of Policy Studies of Sri Lanka (IPS) is developing a National Cooling Policy (NCP) for Sri Lanka with the Air Resources Management and National Ozone Unit of the Ministry of Environment (MOE) and the United Nations Environment Programme (UNEP) towards fulfilling the country's rapidly growing cooling needs in a climate-friendly manner. It will also be an opportunity to integrate policies that would otherwise be handled separately with the aim of driving the country towards globally agreed goals such as the Paris Climate Agreement, the UN Sustainable Development Goals, and the Kigali Amendment to the Montreal Protocol.



REOPENING SCHOOLS IN THE NEW NORMAL: KEY FOCUS AREAS FOR SRI LANKA

By Ashani Abayasekara and Usha Perera

Research Team

Articles written by two or more researchers at the IPS are featured under this section. IPS researchers are assigned to specific research units, but often work across units in cross-cutting thematic areas.



'Talking Economics', the blog of the Institute of Policy Studies of Sri Lanka (IPS)

School reopening strategies adopted by countries (%)

	Primary	Lower Secondary	Upper Secondary		
Changes to examinations (% of countries)	Rescheduled/postponed	49	51	60	
	Cancelled	30	28	18	
	Introduced alternative assessment	32	28	25	
Remedial measures (% of countries)	Measures to address learning gaps		71	72	75
% of students who attended school after re-opening	Less than 75%	30	26	25	
	More than 75%, but not all	19	22	25	
	All students	37	37	36	
Measures to encourage return to school (number of countries)	All education levels				
	Community engagement	136			
	School-based tracking	121			
	Financial incentives/waived fees	78			
	Review/revise access policies	84			

Sources: UNESCO, UNICEF, The World Bank, and OECD (2021)

The decision to gradually reopen Sri Lankan schools – which have been shut for close to 20 months since COVID-19 first struck – is a welcome move. As of September 2021, 93% of countries had reopened schools either completely or partially, making Sri Lanka one of the last to do so.

Previous IPS blogs have pointed to multiple access and quality issues facing the country's distance education efforts, calling for the establishment of a comprehensive education recovery strategy for the future. The accompanying decision to devote the next six months from November 2021-April 2022 to recovering learning losses, giving precedence to essential syllabus areas and decision-making flexibility to schools, is encouraging news, in this context.

This blog provides some insights into the current education recovery practices being adopted globally and draws attention to some important areas that

can be incorporated into the current strategies being devised in Sri Lanka.

MONITORING AND PREVENTING SCHOOL DROPOUTS

According to a joint UNESCO-UNICEF-World Bank Survey of 143 countries conducted between February – June 2021, only half, and less than a third, of developed and developing countries, respectively, reported that all primary and secondary students returned to schools when reopened. Common methods used to identify and prevent dropouts include school-based tracking mechanisms, financial incentives (cash, food, or transport), waived fees, community engagement programmes, and revised access policies. Brazil's School Active Search system, for example, brings together local government agencies in education, health, social assistance and planning, to identify, register, and monitor out-

of-school children and those at risk of dropping out.

MEASURING LEARNING LOSSES

Measuring learning loss is an essential first step in mitigating its consequences. According to the joint survey, 58% of countries reported having conducted formative assessments to measure learning loss, while only one-third relied on standardised assessments. Existing research also points to the relative importance of formative assessments to estimate learning losses, as opposed to standardised testing which is more effective in the long-term. Formative assessments are geared towards informing in-process teaching and learning modifications, and include tools such as quizzes, journal entries, essays, and works of art. The focus is largely on remediation interventions and/or re-teaching content from the previous year, foundational skills, and

It is thus essential that immediate data collection and monitoring is undertaken to initiate action and bring back all students to schools.

adapting instruction to the level of each student.

ADJUSTING AND PRIORITISING CURRICULA

To help students catch up once they return to school, 42% of countries surveyed reported prioritisation of certain areas of the curriculum or certain skills. The most likely areas or skills to be targetted include foundational skills in numeracy, literacy, and socio-emotional resilience. In terms of specific country examples, in Odisha State, India, the Central Board of Secondary Education has reduced the syllabi by 30%, to allow students to focus on a few subjects and learn these well. Bangladesh's education recovery programme includes a condensed syllabus for the next two years, focussing on important subjects such as mathematics, Bengali, English, and science.

HIGH-STAKE EXAMINATIONS

According to the joint survey, countries introduced several changes to exams, such as adjusting content, changing the number of subjects examined or questions asked, and mode of administration. Cancellation of examinations were limited to high- and upper-middle income countries, ranging from a share of 30% in primary grades to 18% in upper secondary education.

IMMEDIATE FOCUS AREAS FOR SRI LANKA

Although somewhat late, it is encouraging to note that some of these

worldwide practices are currently being considered in Sri Lanka too. Along with more concrete details and clearer strategies for implementation, Sri Lanka's education authorities should focus on the following to minimise further learning loss and safeguard student welfare:

ENSURE ALL CHILDREN RETURN TO SCHOOL

While boasting commendable enrolment rates at the primary and lower secondary levels, student dropouts at higher education levels is a longstanding problem in Sri Lanka. Post-pandemic dropout rates are likely to be considerably higher, particularly in remote and marginalised areas. It is thus essential that immediate data collection and monitoring is undertaken to initiate action and bring back all students to schools. The country's well-established decentralised education administration system can facilitate coordination among zonal and divisional education authorities and Grama Niladhari divisions to collect data and work closely with parents and communities, in this regard.

PROVIDE GENERAL GUIDANCE ON CURRICULA ADJUSTMENTS AND MEASURING LEARNING LOSSES, WHILE MAINTAINING FLEXIBILITY

The intention to focus on revised curricula targets over the next few months and to provide principals and teachers with flexibility in deciding how to cover curricula are welcome moves,

given the multiple social, economic, and emotional impacts undergone by children during the pandemic, to significantly varying degrees. Such adjustments, however, need to be based on the extent and nature of learning losses experienced by students, for which conducting formative assessments is key. It is thus best that this flexibility is balanced with some general guidance on essential learning competencies for students around which curricula adjustments can be made, and benchmark diagnostic tests and guidance for teachers to assess student learning, especially in switching from formal to formative type of assessments.

ADOPT A CONSISTENT EXAMINATIONS POLICY AND COMMUNICATE IT CLEARLY TO STUDENTS

The Ministry of Education should conduct careful evaluations on the timing of and the content to be tested at highly competitive national examinations and establish a new examination policy which is clearly communicated to teachers and students, leaving no room for ad-hoc changes. For instance, given the directive to focus on priority areas of the curricula in the next six-month period, the examinations should also be adapted accordingly. Some options include limiting the grade five scholarship examination to an intelligence test, replacing examinations from grades six to nine with diagnostic tests, and limiting the G.C.E. O-Levels to core subjects.



CASA SEQUENCE OF IMPORTANT EVENTS SINCE 1966

- 29.6.1966 • Inaugural AGM of Ceylon Association of Steamer Agents
- 29.6.1966 • Mr. P.C.S. Fernando was elected as the Chairman of the newly formed Association
- 1.6.1988 • Publishing of Exchange Rate in the Daily Shipping List
- 1.6.1988 • Publication of Booklet by CASA – Guide to Members on Licensing of Shipping Agents and Recruitment of Seamen
- 28.3.1990 • Grant of LKR200,000 from the Shipping Development Fund to CASA to construct an office building
- 22.10.1990 • Imposition of a Container Handling Charge for exports was accepted in principle with the Controller of Exchange
- 12.10.1991 • CASA Office was shifted to 2nd Floor – AMW Building, 185 Union Place, Colombo 2
- 1.4.1994 • Formation of Sports Committee to organize sports and social activities among members consisting Messers. Ranjith Abeydeera, Nimal Ranchigoda and Rohan Perera
- 30.4.1994 • First Ever Softball Six-a-side Cricket Tournament; 39 Teams – Winners CMA – Runners-up Ceyline Agencies
- 1.3.1994 • With the amendment to the Constitution at an SGM, all members were required to declare that they undertake to comply with the Constitution and the code of conduct
- 14.1.1995 • Inauguration of the CASA Training Course for Ships Agency Personnel at CINEC
- 1.10.1995 • Charges levied from Members for listing vessels in the Daily Shipping List was fixed at LKR 60 per TEU, instead of LKR 3 per freight ton fee charged before
- 14.8.1995 • Name of Association changes to Ceylon Association of Ships' Agents from Ceylon Association of Steamer Agents
- 30.5.1995 • The first ever awards ceremony to award certificates to ships' agency personnel who participated in the first training course conducted by CASA at CINEC
- 1.6.1996 • Purchase of premises 56 Ward Place, Colombo 7
- 15.3.1997 • Implementation of FSC
- 1.5.1997 • Changing Freight Service Charge to be called as Terminal Handling Charge
- 12.12.1996 • Shifting CASA office to 56 Ward Place, Colombo 7
- 20.1.1997 • Formal opening of the CASA office
- 9.12.1997 • Presentation of National Ports & Shipping Policy
- 24.6.1998 • Conversion of CASA into a limited liability company
- 1.3.1999 • Publication of CASA Weekly begins
- 21.7.1998 • Transmitting the list of De-stuffing of LCL Containers to Members commences
- 1.8.1999 • Commenced emailing circulars and all other correspondence to Members
- 1.4.1999 • CASA Library was established
- 1.4.2001 • CASA commenced business as a limited liability company
- 17.10.2000 • CASA develops a computerized document archive - Circulars from 1990 onwards
- 26&27.5.2006 • International Marine Transport & Logistics Conference – the first-ever shipping & maritime activity related international conference – Kings Court, Trans Asia Hotel
- 15.6.2006 • www.casa.lk was launched
- 1.4.2006 • Appointment of the Advisory Council
- 17.3.2007 • First-ever CASA Dinner Dance – Colombo Hilton
- 1.6.2010 • CASA entered into an agreement with the University of Colombo to conduct a Special Degree in Transport Economics & Commercial Shipping for the first time in the history of University Education
- 7&8.5.2011 • CASA Inaugural Badminton Tournament at St. Thomas College Sports Complex
- 19.2.2013 • Formation of Young Shipping Professionals of CASA
- 6..5.2016 • CASA/WISTA Asia Conference 2016 – Emerging Trends in Shipping & Logistics – Asia Connects
- 26.6.2016 • CASA 50th Anniversary Celebrations – Multi Religious Ceremony
- 28.7.2016 • 50th AGM at the Kingsbury
- 1.1.2018 • Launch of CASA Weekly e-Ship Schedules
- 1.2.2018 • Launch of Bridge - CASA Quarterly Magazine
- 3.3.2018 • First Ever CASA Quiz
- 23.3.2018 • CASA First Ever Bowling Tournament – Excel Bowling Centre
- 19.10.2018 • Rebranding YSP as YoungShip
- 25.09.2019 • CASA-ICS Maritime and Supply Chain International Conference at the Galadari
- 19.10.2019 • First Ever Football Tournament – CR & FC
- 26.11.2020 • Signing of Agreement between CASA and MEPA - Beach Caretaker Programme
- 29.06.2021 • Establishment of CASA Consortium to facilitate crew changes
- 17.08.2021 • CASA elects Shehara De Silva as its first female Chairperson

