

Investment Opportunities



Major Global Logistic Players Operating in Sri Lanka



Prepared by Research & Policy Advocacy Department,
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Sri Lanka: Emerging Logistics Centre in Asia

Investment Opportunities Commercial Hub Operations



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THE BOARD OF INVESTMENT OF SRI LANKA
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Board of Investment of Sri Lanka
October 2015

Overview

Sri Lanka's logistic industry contribution to national GDP is estimated around 3% and targeted to contribute at least 10% by 2020. Sri Lanka is thriving to become the South Asian logistics hub in the region. Sri Lanka is uniquely situated in the backdrop of the Indian subcontinent and within the closest proximity to the international ocean routes that link from Asia to Europe and is currently a partial gateway to the Southern and Eastern part of India catering to the transshipment services for South India.

Rankings

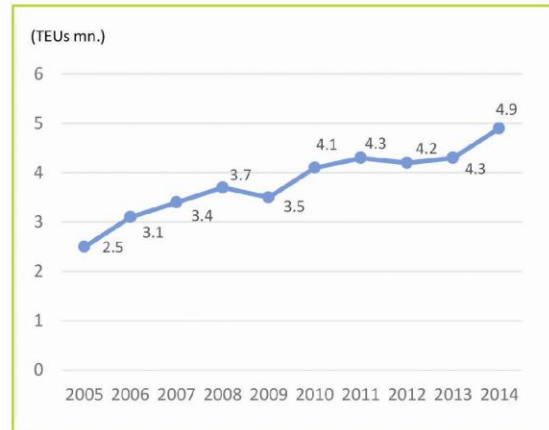
- ▶ 31st place of top 100 container traffic handling ports (World Shipping Council, 2013)
- ▶ 32nd place in 100 busiest container ports
- ▶ 14th transshipment port by Mass Global Shipping Agency in the world in 2012
- ▶ Scored 54 points out of 100 points in Linear Shipping Connectivity Index in 2014
- ▶ 89th position out of 160 countries by Logistic Performance Index in 2014 rankings

Our Strengths

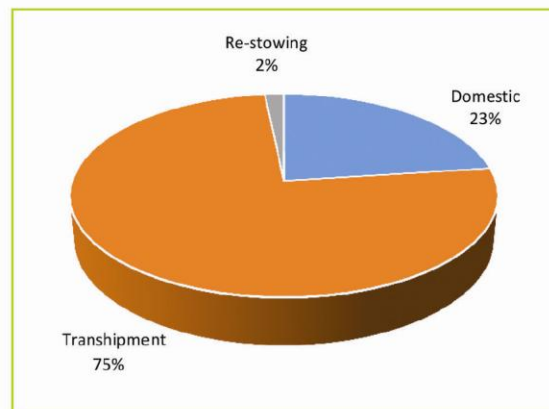
- ▶ Two major seaports, Colombo and Hambantota
- ▶ Colombo Port,
 - ▶ The busiest port in South Asia with 4 container terminals to handle mega sized vessels with 14 Container Berths (includes 10 Container Berths and 04 Feeder Berths).
 - ▶ Handling 5 million TEUs ahead of India's largest container port, Jawaharlal Nehru.
- ▶ Two international airports in Colombo and Mattala
- ▶ The Bandaranayake International Airport provides cargo handling services with a capacity of 250,000 MT per annum.
- ▶ Enhancement of air fleet with modern airwalt.
- ▶ Weekly air connectivity; Providing 483 flights to 96 destinations in 46 countries

- ▶ Introduced Free Port & Bonded Areas Leading to third party logistic (3PL) such as Warehousing, Transportation & Supply Chain Solutions.
- ▶ Sri Lanka is emerging as a key sourcing base in South Asia for international buyers in the garment and plastic products, leading to increased demand for 3PL services.
- ▶ The major 3PL service suppliers operating in Sri Lanka are Dubai-based GAC Logistics and Clarion Logistics.

Total Container Throughput (2005-2014)



Distribution of Total Container Throughput (TEUs) - 2014



Total Cargo & Containerised Cargo Handle (2005-2014)



Regulatory Framework

Declared Free Ports and Bonded Areas and Exemptions under Commercial Hub Regulations (Finance Act No. 12 of 2012 and Commercial Hub Regulation No. 1818/ 30 dated 11-07-2013).

Declared Free Ports and Bonded Areas

Area	Location	Activity*
Free Ports	Colombo Port Hambantota Port	Manufacturing, Minor Processing, Value Added Logistic Services
Specified Bonded Area	Mattala Airport Mirijawila Zone	Manufacturing, Minor Processing, Value Added Logistic Services
Bonded Area	Katunayaka Zone Koggala Zone	Minor Processing, Value Added Logistic Services

Benefits to Investors

- ▶ The above activities are exempted from Customs Ordinance, Exchange Control Act and Imports & Exports (Control) Act.
- ▶ Lowest cost per import/export container in South Asia. The average cost in Sri Lanka is about USD 560 – 690 per container much lower than the South Asia average USD 1,923 – 2,118 and in Mumbai USD 1,120 – 1,250).
- ▶ Government pro-active towards investors and has open door policies for business.