

Shippers Perspective On Logistic And Supply Chain In Market Demand

National Economic Agenda
Need For Increased Commodities
Products And Service Exports



Challenges of Sri Lankan Shipper



- Desired of having exponential growth on export turn over but constrained by
 - Rising costs
 - Labour market dynamics
 - Limited basket of products
 - Limited number of large players in all sectors
 - Limited supply of logistic services

Shippers Responsibility



- Improved /increased capacities of goods and services
- Penetrate at high level in existing/emerging markets
- Engaging New Business Models
 - Expanded version of Orthodox B2B and B2C
 - E- Commerce

New Business Models



- Orthodox B2B and B2C
- Emerging B2B and B2C thro E-commerce has brought in additional players internet web post air and postal services payment gateways
- Sri Lanka's yet to use full potential of this facility
 - For want of revisiting total exchange management
 - Customs requirements
 - Payment gateway systems and clearing arrangement

Sri Lanka's Commercial Hub Regulation



- Entreport Trade
- Value Added Industry
- Front end interfacing with Customer
- Transhipments
- RHQO
- Warehousing and Logistics

The New Role Of Logistics



- **Maritime Transporter**

+ **Value added service provider**

+ **Global Distribution Centres**



The Issue



- Ship owner and operator and the transport policy makers are paying heavy attention to issue such as
 - Maximising speed size and mix, to minimise margin erosions
 - Sustainable efforts to reduce Co₂ emissions
 - Managing risk and vulnerability an accident etc...
 - The liner industry had made conscious effort in introducing speed and Reducing the sailing time
- The shipper will be more concerned about
- The frequency and Speed.
- The SSS may not provide answers to Sri Lanka unless Sri Lanka is the Hub for South Asia.

Expectations

Speed



- Manufacturers and Producers need to avoid the expense and the risk of obsolescence
- Retailer should avoid carrying large inventories which are not moving compelling to offer discounts
- Fast delivery is vital to specific products

Frequency

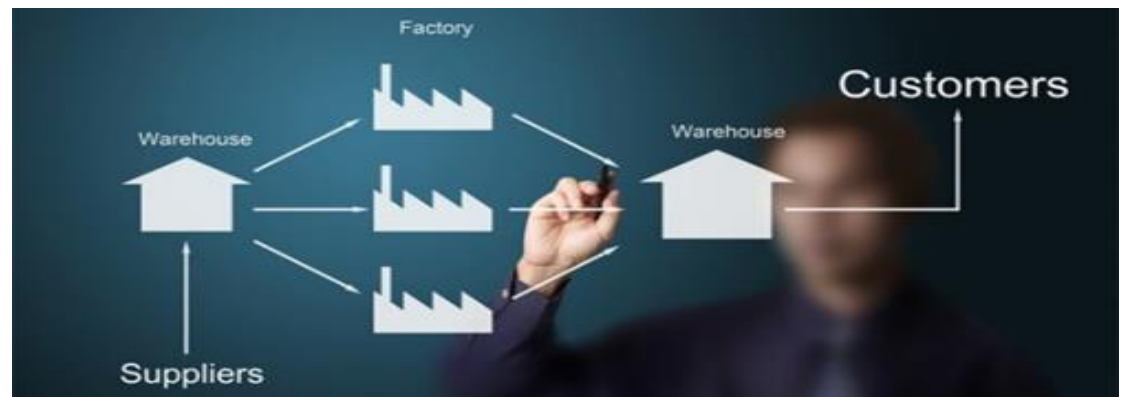
- Increased frequency in ship calling with correct fleet mix to carry increased Exim cargo
 - The Frequency vs speed and cost is another phenomenal
 - When goods can only be sold in the international market in small quantities at frequent intervals the frequency would be extremely important.
 - Long distance are involved it reduces the speed.
 - Airfreights though is cost here is been used by the producers at it provide for both frequency and speed.



Addressing development and policy issues

- Demands Physical and information technology based infrastructure to be made by the service provider with much needed capital

- FDI is an answer



Expectation

Cont'd...



- The Logistic provider will no longer be a transport agent but Strategic partner for which we should create all possible changes at the firm level and at the country level
- Better use of commercial hub regulation effectively by inviting logistic service providers to be partner.
- Introduction of a market friendly competitive policy framework that will meet the expectation of social competitive market trends. Create a conducive environment for liners operators services providers to increase investments whereby ship Callings can be increased.



- Therefore it is a strategic partnership and the logistic will not be the last and least informed partner nor an isolated an un integrated cost centre
- All players, Manufacturers, Suppliers, Buyers, Service Providers are competitively involved in the global supply chain performing the Sri Lanka's role.

- Let us get together and bring about this challenge as a public private partnership affair, leaving differences behind.





A flag of opportunity!

Thank You