



**SRI LANKA  
SHIPPERS' COUNCIL**

***ANNUAL REPORT***

**&**

**ACCOUNTS**

**2004/2005**

## **THE COUNCIL**

*Mr. Noel Priyatileke*  
*Chairman*

*Mr. Jayanath Perera*  
*Vice Chairman*

*Mr. Ravindra Ratnapala*  
*Immediate Past Chairman*

### **HONARARY MEMBERS**

*Mr. S.S. Jayawickrama*

### **OBSERVER**

*The International Chamber of Commerce*

### **SECRETARY GENERAL**

*Mr. Prema Cooray*

### **SECRETARIAT**

*The Ceylon Chamber of Commerce*

*50, Nawam Mawatha*

*Colombo 02*

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## MEMBERSHIP

### TRADE ASSOCIATIONS

*The Ceylon Chamber of Commerce*

Mr. Lal Kodagoda  
(Representative)

Mr. Ruwan Senanayake  
(Alternate)

*The Ceylon Chamber of Commerce  
Import Section*

Mr. Clement Pereira  
(Representative)

Mr. Mahesh Wijewardena  
(Alternate)

*The National Chamber of Commerce  
of Sri Lanka*

Mr. Gihan Kuruppu  
(Representative)

Mr. Nalin Jayasinghe  
(Alternate)

Mr. Tissa Ruberu  
(Alternate)

*Exporters' Association of Sri Lanka*

Mr. Jayanath Perera  
(Representative)

Mr. Lasantha Wickramasekara  
(Alternate)

*The National Chamber of Exporters'  
of Sri Lanka*

Mr. Rasa Weerasingham  
(Representative)

*The Colombo Tea Traders' Association*

Mr. Manjula Agalawatte  
(Representative)

Mr. Dinesh de Silva  
(Alternate)

*The Colombo Rubber Traders' Association*

Mr. Anura Edirisinghe  
(Representative)

Mr. M.F. Jiffry  
(Alternate)

*The Ceylon Coir Fibre Exporters' Association*

Mr. I Piyasena  
(Representative)

Mr. Lasantha Wickramasekara  
(Alternate)

***The Sri Lanka Freight Forwarders' Association***

Mr. Niral Kadawatharatchie  
(Representative)

Mr. S. Mohanadas  
(Alternate)

***The Sri Lanka Apparel Exporters' Association***

Mr. Noel Priyatilleke  
(Representative)

Mr. Sudantha Amaratunga  
(Representative)

Mr. Ajith Jayasekara  
(Alternate)

***Sri Lanka Fruits & Vegetable Producers, Processors & Exporters' Association***

Mr. Shantha Wijesinghe  
(Representative)

Mr. Z. Alif  
(Alternate)

***Sri Lanka Association of Air Express Companies***

Mr. Royce Samaratunga  
(Representative)

***Sri Lanka Logistics Providers' Association***

Mr. Andre Fernando  
(Representative)

Mr. Harith Jayasuriya  
(Alternate)

Mr. Anil Panagoda  
(Alternate)

***Sri Lanka Coir & Allied Products Manufacturers Association***

Mr. Sarath Wickramaratne  
(Representative)

Mr. Shalinda Perera  
(Alternate)

***APEX Committee Export Processing Zone***

Mr. Ananda Wijesuriya  
(Representative)

## **INDIVIDUAL MEMBERS**

*Canro Exporters (Pvt) Ltd*

*City Cycle Stores*

*Coco Lanka Ltd*

*Cross Ocean Logistics (Pvt) Ltd*

*Excel Global Holdings (Pvt) Ltd*

*Fascination (Pvt) Ltd*

*Freight Links International (Pte) Ltd*

*Hayleys Ltd*

*Hemas Garments Ltd*

*James Finaly & Co. (Colombo) Ltd*

*MAC Holdings (Pvt) Ltd*

*MASS Logistics & Shipping (Pvt) Ltd*

*Mabroc Teas (Pvt) Ltd*

*Imperial Teas (Pvt) Ltd*

*Orient Garments Ltd*

*Oxley Threads Lanka (Pvt) Ltd*

*Qualitea Ceylon (Pvt) Ltd*

*Readywear Industries Ltd*

*Standard Trading Co. (Pvt) Ltd*

*Tea Palace (Pvt) Ltd*

*Tea Tang Ltd*

## **OUR VISION**

*“To enhance the competitiveness of our members by abolishing hidden logistics costs.”*

## **OUR MISSION**

*We facilitate our customers to be more competitive in their Business Logistics; performance and cost, by the following;*

- 1. Being the APEX Body, protect the interest of our customers and being a strong Advocate to the Government.*
- 2. Ensuring cost effective strategies are developed and implemented in the logistics and value chain to make our members more competitive.*
- 3. Facilitating greater efficiencies in logistics by reducing logistics barriers and simplifying trade.*
- 4. Acting as the mediator in resolving conflicts amongst our customers (members).*
- 5. Facilitating a level playing field by developing and promoting a code of conduct / ethics for our customers (members).*
- 6. Establishing a centre for excellence for information sharing and to upgrade competencies of members to compete globally.*
- 7. Leveraging regional and global partnerships and facilitating global best practices in logistics in Sri Lanka.*

## **OUR DEFINITION OF LOGISTICS**

*Activities in the supply chain in the movement of goods from sourcing to delivery (desk to desk, door to door), which involves;*

- a. All types of freight*
- b. Border controls and regulatory authorities (customs, quarantine, chambers, ministries, embassies, etc.)*

## ATTENDANCE AT COMMITTEE MEETINGS

The Council met on twelve (12) occasions during the period under review. Attendance at meetings were as follows:

### **Office Bearers**

Chairman - Mr. Noel Priyathilleke – 12  
Vice Chairman - Mr. Jayanath Perera - 09

### **Council Members**

The Ceylon Chamber of Commerce - Mr. Lal Kodagoda - 01  
- Mr. Ruwan Senanayake -09

Exporters' Association of Sri Lanka - Mr. Jayanath Perera - 09  
- Mr. Lasantha Wickramasekara - 01  
(Mr. R.A.D. Jayasiri) - 07

The Ceylon Chamber of Commerce Import Section - Mr. Clement Pereira - 04  
- Mr. Mahesh Wijewardena - 03

The National Chamber of Commerce of Sri Lanka - Mr. Gihan Kuruppu - 08  
- Mr. Nalin Jayasinghe - 0

The Colombo Tea Traders' Association - Mr. Manjula Agalawatte - 07  
- Mr. Dinesh de Silva - 02

The Colombo Rubber Traders' Association - Mr. Anura Edirisinghe - 04  
- Mr. M.F. Jiffry - 05

The Ceylon Coir Fibre Exporters Association - Mr. Indrajith Piyasena - 00  
- Mr. Lasantha Wickramasekara - 01  
(Mr. R.A.D. Jayasiri) - 07

The Sri Lanka Freight Forwarders' Association - Mr. N. Kadawatharatchie - 06  
- Mr. S. Mohanadas - 04

Sri Lanka Apparel Exporters' Association - Mr. Noel Priyathilleke- 12  
- Mr. Sudantha Amaratunga - 07  
- Mr. Ajith Jayasekara - 06

National Chamber of Exporters of Sri Lanka - Mr. Rasa Weerasingham - 09

Sri Lanka Fruits & Vegetable Producers, Processors & Exporters Association - Mr. Shantha Wijesinghe- 0  
- Mr. Z. Alif - 0

Sri Lanka Association of Air Express Companies - Mr. S. Fernando - 0

Sri Lanka Logistics Providers' Association	- Mr. Andre Fernando - 05 - Mr. Harith Jayasuriya - 03 - Mr. Anil Panagoda - 0
Sri Lanka Coir & Allied Products Manufacturers Association	- Mr. S. Wickramaratne - 0 - Mr. Shalinda Perera - 06
Free Trade Zone Manufacturers Association	- Mr. Ananda Wijesuriya - 09

## **THE SRI LANKA SHIPPERS' COUNCIL**

The Sri Lanka Shippers' Council was established in March 1966 to protect and promote the interests of shippers. It was the first National Shippers' Council to be set up in Asia and was formed on a request made in 1965 by the local Committee of the Ceylon/Continental Conference, and a subsequent request made by the Director of Commerce in January 1966, to the Ceylon Chamber of Commerce. The Sri Lanka Shippers' Council is the apex body that represents the interest of shippers.

Membership of the Council consists of Chambers of Commerce and Trade Associations, and fifteen such organisations are currently members of the Council and the Council represents more than 95% of the import/export trade. The Council derives its broad based representation and membership from these trade Associations. The Council has now opened its doors to individual companies as Associate Members so that companies in the import/export trade could have access to the Council's resources and expertise to resolve their shipping related problems.

The Sri Lanka Shippers' Council is headed by an elected Chairman and assisted by a Vice-Chairman who is also elected by the constituent members.

The Ceylon Chamber of Commerce provides secretarial services to the Council and also acts as the Secretariat.

The Council actively promotes the Sri Lankan Government's vision of making the Colombo Port a competitive Maritime & Logistics Center in the Asian region, which would result in the generation of enhanced economic activity, employment and wealth. As such all Council activities have been planned and prepared to support this vision.

## **OFFICE BEARERS**

At the Thirty Fourth Annual General Meeting held on 22<sup>nd</sup> July 2004, Mr. Noel Priyatilleke was elected Chairman of the Council and Mr. Jayanath Perera was elected Vice-Chairman.



## ACTIVITIES OF THE COUNCIL

The activities of the Council have been focused on issues faced by shippers on shipping and port related matters. The Council always performed a lead role in resolving problems and serve as the focal point where various shipping and port related matters are brought up and discussed. In addition, the Council actively advises the Government on matters relating to port and shipping whenever its advice is sought after.

Four (4) Action Committees headed by an Action Committee Chairman was appointed to look into the different aspects relating to the Council activities and report at the monthly meeting. They are namely: the Issues Sub Committee, Membership Sub Committee, Trade Complaints Sub Committee and the Finance Sub Committee.

A detailed description of the activities of the four action committees appears elsewhere in this report. However, in this section for your easy reference we give below the main topics covered in the report.

- Terminal Handling Charge
- Lobbying for reduction of Port Charges, which are considered high in the region.
- Freight Rates & Surcharges
- War Risk Surcharge
- Maritime Security
- Trade Complaints
- Performance of the Port of Colombo
- Electronic Data Interchange (EDI)
- Seminars & Training Programs
- Need for a National Carrier
- Need for a Regulator to look after the interest of all stakeholders
- Pushing for South Harbour Development Project
- Federation of ASEAN Shippers' Councils (FASC)
- Asian Shippers' Council (ASC)
- Association of Shippers' Councils of Bangladesh, India, Pakistan & Sri Lanka (ASCOBIPS)
- SLSC Website

## ISSUES COMMITTEE

### *TERMINAL HANDLING CHARGE (THC)*

THC was introduced in Sri Lanka in 1997 and since then the Council identified THC as an anti-competitive practice, which needed to be resolved. The Council has taken up the position that this issue can only be resolved if both parties to the dispute (Shipping Lines/Shipping Agents and Shippers) have a mutual respect for each other's views. The Council is of the view that both parties should work towards a win-win solution to resolve this long-standing issue.

The Council had recommended THC cost components be divided into ship based costs and land based costs. The Council had identified these costs and have proposed that ship based costs be included in the freight rate and the land based costs be paid directly to the port.

The results of the cost component study undertaken by the Council are as per table 1. It is clear from the data that certain cost elements included in the THC are not terminal based but instead ship-based costs. There is also an amount, which cannot be accounted, and this justifies our claim that there is a profit element when THC is recovered separately. It should be noted that discharging and loading cost was always a part of freight and was included in the all inclusive freight rate on both exports and imports up to 1<sup>st</sup> January 1997. Harbour Tonnage and Consolidation charge does not involve Terminal Cost.

**TABLE 1 – COST COMPONENT OF THC**

	<b>20FT (USD)</b>	<b>40FT (USD)</b>
<b>For Discharging &amp; Loading Containers on board</b>	<b>81.00</b>	<b>121.50</b>
<b>Harbour Tonnage</b>	<b>8.00</b>	<b>16.00</b>
<b>Movement from ship to marshalling yard or vice versa</b>	<b>27.00</b>	<b>41.00</b>
<b>Mounting / De- Mounting</b>	<b>25.00</b>	<b>38.00</b>
<b>Consolidation charge while container vessel “AT BERTH”</b>		
<ul style="list-style-type: none"> <li>• <b>Handling Hatch Covers</b></li> <li>• <b>Tally Charges for vessel operators</b></li> <li>• <b>Charges for Plan Clerks Services</b></li> <li>• <b>Planners &amp; Duty officers Services</b></li> <li>• <b>Provision of security</b></li> </ul>	<b>2.80</b>	<b>5.50</b>
<b>Un accounted/Hidden Profit</b>	<b>4.20</b>	<b>6.00</b>
<b>TOTAL</b>	<b>148.00</b>	<b>228.00</b>

**\*Source – Sri Lanka Ports Authority Tariff**

This matter was taken up by the Exporters’ Association of Sri Lanka and the Sri Lanka Shippers’ Council at the Export & Enterprise Development Forum, chaired by the Minister of Advanced Technology and National Enterprise Development, Hon. Rohitha Bogollagama. The Minister appointed a separate committee headed by Hon. Hussein Bhaila, Deputy Minister of Advanced Technology and National Enterprise Development to bring about a just solution, which is accepted to all stakeholders.

This issue was also taken up at the Ceylon Chamber of Commerce monthly Committee meeting, where a committee consisting of Mr. Parakrama Dissanayake, Former Chairman SLPA, and Mr. Chandra Jayaratne, Former Chairman CCC, were appointed to look into this matter.

### *FREIGHT RATES & SURCHARGES*

The policy of the Council is to allow market forces to determine freight rates. Freight rates will vary from Shipping Line to Shipping Line depending on the service patterns, service levels and transit times. The Council would not entertain any general rate increases (GRI) unless the shipping lines adhere to the consultative procedure, which had been established between the Council and the Ceylon Association of Ships’ Agents (CASA).

As in the past, shipping lines attempted to introduce many GRI's. Once again the trade was successful in mitigating the adverse effects as the market forces were not favourable for such general rate increase.

During the year under review, there were attempts by the lines to introduce additional surcharges such as a Container Handling Charge. With the Council's strong lobbying lines were compelled to withdraw the surcharges.

### *WAR RISK SURCHARGE*

Sri Lanka continues to be placed under held cover status by the War Risk Rating Committee (WRRC) based in London and the Joint Cargo Committee of Lloyds, even though the WRRC has been dissolved. The Council on many instances has expressed its concern about this situation.

The Council had taken up the matter at a Workshop on Ports and Shipping organized by the Ministry of Ports & Shipping from 18<sup>th</sup> to 19<sup>th</sup> February 2005. The then Secretary to the Ministry of Ports and Shipping, Mr. Ariyaratne Hewage, assured that this matter would be taken up at the highest level with the view to remove held cover status from Sri Lanka.

This matter was taken up again with the new Secretary to the Ministry of Ports & Aviation when the Council members met with the Secretary on 16<sup>th</sup> June 2005.

### *MARITIME SECURITY*

The Council is pleased to announce that the Colombo Port is now in full compliance with the International Ship & Port Facility Security Code (ISPS).

Under the US Customs Container Security Initiative (CSI), the Colombo Port was selected as one of the Asian Ports to implement the CSI program. The Council is very concerned about the delay in implementing the CSI initiative due to reasons within the control of the authorities.

## **MEMBERSHIP COMMITTEE**

The membership of the Council is open to all Trade Chambers and Associations engaged in Shipping and Port related activities as well as individual companies in the import/export trade. The membership committee is responsible for developing and increasing the membership of the Council.

The annual membership fee for Trade Associations/Chambers is Rs. 5,000/-, while the membership fee for individual companies is Rs. 2,000/-.

During the year under review, the Council approved membership for the following companies as Individual Members:

- Cross Ocean Logistics (Pvt) Ltd
- Excel Global Holdings (Pvt) Ltd
- Hemas Garments (Pvt) Ltd
- Mabroc Teas (Pvt) Ltd
- Orient Garments (Pvt) Ltd
- Oxley Threads Lanka (Pvt) Ltd

## **FINANCE COMMITTEE**

The Finance Committee is responsible for raising funds to sustain the activities of the Council. The Ceylon Chamber of Commerce manage the Council funds on behalf of the Council.

## **TRADE COMPLAINTS COMMITTEE**

The Council continues to facilitate the trade by providing services through the trade complaints committee where it assists in the mediation of trade disputes among the shipping lines, freight forwarders, NVOCC Operators, and shippers.

## **REPRESENTATIONS**

The Council continues to maintain its close association with the Government and Private sector organizations and also with the Trade Associations with a view to improve the service level of these organizations.

## **SRI LANKA CUSTOMS**

The Council has maintained a very close working relationship with the Sri Lanka Customs. During the year under review, the Council met with the Director General of Customs on many instances to discuss various trade related issues. Through this dialogue the Council has been successful in promptly resolving many issues on behalf of the trade.

Special mention should be made of the concession made by the Director General of Custom to waive off the penalty hitherto levied on bona fide mistakes on the import cargo manifests.

## **PORT OF COLOMBO**

We reiterate our maintained position that the Port charges in Colombo Port are the highest in the region (except Hong Kong). Our local importers and exporters subsidize the transshipment cargo by paying through these exorbitant charges.

In the meantime the Council has been informed of the joint marketing efforts by the South Asia Gateway Terminal (SAGT) and the Jaya Container Terminal (JCT). Taking into consideration that privatization of SAGT was to bring in competition that would help improve productivity, it is questionable whether this would be in the interest of the members.

The Sri Lanka Shippers Council reiterates that in order to retain the Hub Port position for Colombo, the planned South Harbour project should get off to an early start. The Council believes that it would also help to contain any possible adverse effects that could arise as a result of the much talked about Sethusamudram Project.

## **NEED OF A NATIONAL CARRIER**

The Council continues to lobby to the relevant authorities that as an island nation it is of vital importance for Sri Lanka to have a national merchant shipping fleet that would fulfil the defence, trade and strategic needs of Sri Lanka rather than depending on foreign lines for such needs.

As the national line the Ceylon Shipping Corporation (CSC) continues to enjoy a high brand image particularly in the European trade sector. There is high value attached to the brand name “CSC”

The Council emphasized the need for a properly managed national line, as the absence of a properly run/managed national line has been felt by the shippers on many instances. The Government of Sri Lanka through the Public Enterprise Reforms Commission (PERC) made several proposals to revitalise CSC. The proposals and views submitted to PERC by the Council in this regard were as follows;

- a. The Government should have shares in the National Line.
- b. The National Line should establish a training centre to educate those in the industry that would lead to overseas training and scholarships.
- c. The National Line should make available ships for national security and national emergencies
- d. The objective of the National Line should be to sustain the local import and export trade.

## **NEED FOR A REGULATOR TO LOOK AFTER THE INTEREST OF ALL STAKEHOLDERS**

The Council believes that the Central Freight Bureau of Sri Lanka should be modeled in line with the Federal Maritime Council of the US. We understand that the Government of India too has felt the need for such an authority to monitor and act as a regulator in shipping matters.

## **MINISTRY OF PORT DEVELOPMENT & SHIPPING**

The Council has maintained a close working relationship with the Ministry of Port Development and Shipping. The Ministry on many occasions has sought the views of the Council on various shipping related matters, where the Council readily responded to these requests.

In February 2005, the Ministry of Ports & Aviation under the patronage of Minister Mangala Samaraweera, Minister of Ports & Aviation, organized a Workshop on “Ports & Shipping, Meeting Challenges of Current Global Developments,” with the objective of obtaining contributions of experts to formulate a course of action to meet the challenges faced by the industry. The Sri Lanka Shippers’ Council was also invited to participate at this two-day workshop held in Negombo.

## **SHIPPING DEVELOPMENT FUND (SDF)**

The Ministry of Ports & Aviation has conveyed its intentions to enact legislation to regularize the Shipping Development Fund and is in the process of considering views of all stakeholders in the shipping industry who, the Ministry feels should contribute to the fund. The Ministry has highlighted the strong need for a Shipping Development Fund, as the Government is unable to provide funds for all the requirements in the field of Shipping. The Ministry has already appointed a Committee to review the existing draft legislation and the mode of operation of the Shipping Development Fund and as a stakeholder the SLSC was invited to present its submissions in this regard.

The Shippers' Council forwarded its submissions and observations to the Director of Merchant Shipping regarding this on 04<sup>th</sup> April 2005.

However, the Council would like to re-iterate that the Central Freight Bureau should take immediate steps to re-activate the Shipping Development Fund by insisting that Shipping Agents contribute to the fund in terms of the Central Freight Bureau of Sri Lanka Law No. 26 of 1973 and the other regulations governing the fund. It is unfortunate to note that shipping agents have ceased to contribute to the fund. It is indeed surprising that authorities have turned a blind eye to the fact that agents no longer contribute to the fund. This is against the law and it is the duty of the authorities to ensure the continuation of the fund before new legislation is enacted.

## **MARITIME POLICY OF SRI LANKA**

Following the outcome of the Workshop held in February 2005 on "Ports and Shipping Development" by the Ministry of Ports & Aviation, the Ministry identified key contributors to assist the Ministry in drafting a policy document titled "Maritime Policy of Sri Lanka," and the Sri Lanka Shippers' Council has been invited to participate on this Sub Committee.

Prior to releasing the finalized document of the "Maritime Policy of Sri Lanka" the Ministry intends on presenting the final draft to the public for their comments and views.

## **ELECTRONIC DATA INTERCHANGE (EDI)**

The Council has long stressed the need for electronic exchange of information via EDI, particularly between Exporters/Importers, the Sri Lanka Customs, Banks and other authorities.

We are disappointed to note that the present service provider has failed to provide the full service to the trade as per our expectations.

The Council has now taken up this matter with the relevant authorities to allow a second service provider to facilitate this project.

## **CEYLON ASSOCIATION OF SHIPS' AGENTS (CASA)**

The Council continued to have a close dialogue with CASA on issues that were affecting the trade, notable amongst them being;

- Terminal Handling Charge
- Freight Rates
- Container Handling Charge

## **FEDERATION OF ASEAN SHIPPERS' COUNCILS (FASC)**

The 27<sup>th</sup> Annual General Meeting of the Federation of ASEAN Shippers' Councils (FASC) was held in Singapore from 12-14 September 2004. Hosted by the Singapore National Shippers' Council, it attracted over 60 delegates from 18 shippers' councils representing 31 countries from Asia, America and Europe, making it the largest gathering of this nature.

Present were the FASC membership, namely Indonesian National Shippers' Council, Malaysian National Shippers' Council, Philippine Shippers' Bureau, Singapore National Shippers' Council and Thai National Shippers' Council; associate members: Australian Peak Shippers' Association representing also the Oceania Shippers' Forum, China Shippers' Association, Hong Kong Shippers' Council, Korean Shippers' Council, Macau Shipper's Association, Shippers' Council of Bangladesh, Sri Lanka Shippers' Council, Pakistan Shippers' Council and observers, Association of Shippers' Councils of Bangladesh, India, Pakistan and Sri Lanka (ASCOBIPS), the Japan Shippers' Council, European Shippers' Council and National Industrial Transportation League of the USA.

A nine member delegation from the Sri Lanka Shippers' Council attended this meeting

In the presence of the international shippers' community, a milestone in the shippers' movement in Asia was achieved through the launching of Asian Shippers' Council (ASC) by the Honourable Lim Hwee Hua, Minister of State, Ministry of Finance and Transport of Singapore. It was timely and most meaningful to have the ASC as a platform among Asian shippers, for it is clear that Asia is emerging as a manufacturing, trading and maritime powerhouse in the global arena. ASC will serve as a forum for Asian shippers to discuss issues of interest to present and advocate an Asian view to the international community.

Mr. Ravindra Ratnapala, Immediate Past Chairman of the Sri Lanka Shippers' Council was nominated as the ASCOBIPS Convenor for ASC.

Common issues discussed at the FASC Conference were Ocean Freight markets, Terminal Handling Charge (THC) and other Surcharges, Anti-trust Laws, Maritime Security, and Free Trade Agreement with East Asia.

The meeting rounded off with expressions of support for the Global Shippers' Forum, which allows shippers' councils from across the world to exchange views and develop strategies on a common platform.

The new elected Chairman and Vice Chairman of the FASC were Dr. Suardi Zen of the Indonesian National Shippers' Council and Dato' Mah Siew Keong of the Malaysian National Shippers' Council, respectively.

Whilst the 28<sup>th</sup> Annual General Meeting of the FASC is scheduled to be held in Indonesia, the Sri Lanka Shippers' Council has been granted the honour of hosting the 29<sup>th</sup> Annual General Meeting of the FASC in September 2006, in Colombo, Sri Lanka.

## **ASSOCIATION OF SHIPPERS' COUNCILS OF BANGLADESH, INDIA, PAKISTAN & SRI LANKA (ASCOBIPS)**

The 16<sup>th</sup> Annual General Meeting of the Association of Shippers' Councils of Bangladesh, India, Pakistan, and Sri Lanka was held on 24<sup>th</sup> March 2005, in Colombo, Sri Lanka under the Chairmanship of Mr. Mohammed Farhad Ahamed Akanda of Bangladesh. The meeting was hosted by the Sri Lanka Shippers' Council and was attended by member countries.

To coincide with this occasion, a seminar was held where two important current topics namely the "Sethusamudram Project – Why is it being built? And the "Future Trends in Shipping Services and Developments of Ports in South Asia" were discussed.

During the Annual General meeting the members unanimously decided to urge their respective governments to put in place an appropriate mechanism to protect the interest of shippers, vis-à-vis ocean carriers and ocean intermediaries. It was emphasized on the necessity of Shippers' Councils being actively engaged in the preparation of a long-term maritime policy, which would strengthen the position of the shippers in respective member countries. India confirms of their governments interaction with the Shippers' Associations in formulating the draft maritime policy. The meeting also decided that each member council should have regular dialogue and move towards uniformity in trade practices so as to promote inter and intra regional trade activities.

ASCOBIPS is a founder member of the Asian Shippers' Council which is a round table made up of representations from the ASEAN, China area, North Asia and OCEANIA comprising of 17 countries in the Asian Region.

The Chairmanship of ASCOBIPS continues with Bangladesh up to May 2006.

The ASCOBIPS, which was established on 28<sup>th</sup> July 1980, would be completing its 25<sup>th</sup> year of existence as a regional association for mutual cooperation on maritime transportation and related matters in July 2005. In order to celebrate this significant occasion the Shippers' Council of Pakistan will host the Silver Jubilee Celebration/meeting on 28<sup>th</sup> and 29<sup>th</sup> July 2005, in Karachi, Pakistan.

## **SRI LANKA FREIGHT FORWARDERS' ASSOCIATION (SLFFA)**

The Council fully appreciates and recognizes the role played by the Freight Forwarders in moving shipments across the globe using multi-modal means of transport. If not for services provided by Freight Forwarders, shippers would not have been able to reach certain inland destinations across the world to deliver cargo on time and safely.



SLFFA being a member of the Council has assisted the Council and its members in numerous ways to resolve disputes that have arisen between constituent members of SLFFA and Shippers.

It is common knowledge that many organizations/individuals who are not professionally qualified to carry on the business of Freight Forwarding continues to do so and all such organizations/individuals are not members of SLFFA. The Council only recognizes members of SLFFA and strongly advises members only to use SLFFA members as the complaints against non-SLFFA members for failure to deliver cargo and loss of cargo continues to increase.

## **SRI LANKA LOGISTICS PROVIDERS ASSOCIATION (SLLPA)**

The Council also recognizes the role played by the members of the Sri Lanka Logistics Providers Association (SLPPA). Logistics providers have been associated with moving shipments around the world. This has helped many overseas customers in the fashion/retail or general department stores business to seriously consider Sri Lanka as a reliable origin to source products.

## **THE CEYLON CHAMBER OF COMMERCE (CCC)**

The Chairman of the Sri Lanka Shippers' Council is a member of the Committee of the Ceylon Chamber of Commerce, the oldest Chamber in Sri Lanka with a history of over 165 years. The Council members have had several meetings with the Chamber officials on policy matters relating to port and shipping.

During the year under review, the Shippers Council presented the following submissions to the Ceylon Chamber of Commerce at the monthly Chamber Committee meetings:

- Terminal Handling Charge (THC)
- Port Charges and Appointment of a Regulator
- Sri Lanka Automated Cargo Clearance System (SLACCS)

## **SEMINAR / TRAINING PROGRAMS**

The Council continues to be highly focused in upgrading the knowledge of shippers and shipping related activities. The Council identified that the knowledge base of employees of member organizations as well as members should be enhanced if they are to perform their job functions effectively and efficiently.

The Council sponsored candidates for the Institute of Chartered Shipbrokers (ICS-SL) examinations and all participants achieved commendable results.

The Council received many complaints from the trade as a result of numerous issues that have been faced due to cargo shutouts, increase in freight rates and port related matters. In order to make submissions to the relevant government authorities the Council organized an

Open Forum, which was held on 20<sup>th</sup> September 2004 at the main Auditorium of the Ceylon Chamber of Commerce.

As stated previously under the title “ASCOBIPS,” the Council to coincide with the 16<sup>th</sup> Annual Conference of ASCOBIPS organized a Seminar on the “Sethusamudram Project – Why is it being built? And the “Future Trends in Shipping Services and Developments of Ports in South Asia.” More than 100 industry related individuals participated at this event, which was a great success.

## **WEB SITE**

The Council website which was launched in 2001, was re-designed and re – launched in 2004. The website is regularly updated with trade related information and hosts value added services. The website address of the Council is [www.slsc.ws](http://www.slsc.ws).

## **SECRETARIAT**

The Ceylon Chamber of Commerce provides Secretarial services to the Council. The infrastructure of the Chamber is readily available to the Council.

*BY THE ORDER OF THE COUNCIL*

*Sgd.*

***PREMA COORAY  
SECRETARY GENERAL***

**30<sup>th</sup> June 2005**