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JULY 2025 | 22ND EDITION

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A QUARTERLY PUBLICATION BY
CEYLON ASSOCIATION OF SHIPPING AGENTS
No 56, Ward Place, Colombo 7, Sri Lanka

Rs.600/-
ISSN 265 l-026X

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NAVIGATING UNCERTAINTY:

GEOPOLITICAL CONFLICT AND ITS IMPACT ON GLOBAL SHIPPING AND LOGISTICS

By Rochelle Palipane Gunaratne

The recent escalation of conflict in the Middle East, owing to the tensions between Israel and Iran, has cast a long shadow over global commerce, with ripple effects being felt across international shipping lanes, energy markets, and supply chains. To gain a deeper understanding of these complex developments and their implications, Ashan Wickramasinghe a lecturer in International Relations at several universities and educational institutions in Sri Lanka provided insights that shed light on the multifaceted geopolitical, military, and commercial dimensions of the crisis. Ashan is also the Head of Academic Operations at Advantis Campus at Hayleys Advantis. This article explores these dynamics and what they mean for the maritime logistics sector.

ONE OF THE MOST VULNERABLE POINTS IN GLOBAL SHIPPING REMAINS THE STRAIT OF HORMUZ, THROUGH WHICH APPROXIMATELY 20% OF THE WORLD'S OIL AND GAS SUPPLY FLOWS VIA TANKERS.

While Iran does possess a uranium enrichment programme for peaceful and civilian nuclear purposes, there are certain anomalies that make global powers wonder and worry whether there are other intentions which may not be entirely peaceful. This, coupled with the vast resources in oil, gas, and strategic regional influence, the situation in Iran becomes a more complex challenge to control. In the context of the belligerent relationship between Israel and Iran, the supposed nuclear weapons proliferation by Iran is one matter; whilst, rhetoric of regime change in Tehran adds another dimension which could impact the regional geopolitical balance in a significant manner. Such geopolitical turbulence runs the risk of inviting additional actors into an already tense and confusing situation.

Recent signals, such as US President Trump's comments about targeting Iran's supreme leader, underscores the heightened tensions. However, Iran's geographic position complicates any direct military action. Its airspace is constrained by neighbouring countries hostile to Tehran, limiting its military reach, while Israel enjoys relatively open airspace backed by US influence and infrastructure, including tanker support for aerial operations.

Iran's military strategy has evolved accordingly, focusing on ballistic and cruise missiles, drones, and rocket arsenals that significantly reduce the dependency on manned fighter aircraft. This has enabled Tehran to challenge Israel's advanced Iron Dome missile defence system by overwhelming it with sheer volume. Israel's capacity to intercept, though extensive, has vulnerabilities, contributing to Iranian missiles striking multiple targets across Israel.

Russia's stance remains cautious and much of the support to Iran appears to be more in words than in deeds. Similarly, China seems to be a silent observer, placing emphasis on diplomatic efforts to end the hostilities through the UN and through dialogue. However, if the conflict becomes more 'regime change' focused, the dynamics amongst the global powers may change, further exacerbating regional stability and economic interests.

For regional maritime trade bodies like the Ceylon Association of Shipping Agents (CASA), the current conflict would have limited disruption, primarily in terms of impact on the cost of insurance, fuel and bunkers, and logistics. But, if the crisis escalates or becomes protracted, the consequences for shipping routes, port security, and global supply chains could be profound.

One of the most vulnerable points in global shipping remains the Strait of Hormuz, through which approximately 20% of the world's oil and gas supply flows via tankers. Iran has the capability to disrupt this narrow chokepoint, either through mining, blockades or by sinking vessels, severely constricting the flow of energy supplies and sending oil prices soaring. Given existing disruptions to the supply of Russian oil and gas consequent to the conflict in Ukraine, any disruption to the supply from the Strait of Hormuz would have far reaching consequences across the global economy.

Meanwhile, the Red Sea and Suez Canal are becoming increasingly precarious. Following the October 7 Hamas-Israel conflict, Houthi militants have attacked commercial vessels, targeting those linked to Israel or its allies. This raises fears of Iranian-proxies blockading the Red Sea and the Bab-el-Mandeb Strait, a critical maritime passage. While alternative routes such as the Cape of Good Hope exist, these add significant time and costs to shipping, compounding the challenges.

DESPITE THESE CHALLENGES, THERE ARE OPPORTUNITIES FOR ADAPTATION AND INNOVATION

Heightened port security measures are also projected, resembling the stringent protocols introduced worldwide post-9/11. Cargo inspections may lengthen ship turnaround times and exacerbate port congestion. The human cost may also be significant as well, with sailors being harmed amid hostilities, particularly in vulnerable marine environments like the Red Sea or the Strait of Hormuz. Military convoys have provided some protection, but prolonged conflict would strain these efforts. Despite these hurdles, the shipping industry has shown resilience in past crises, adapting routes and modes of transport as needed.

Alternative shipping via Central Asia rail networks could provide some relief, though this would be a very limited option due to constraints in capacity, infrastructure, and environmental challenges. Furthermore, the northern Arctic passage would be a likely alternative in the long-term to avoid the uncertainties in the Middle East altogether; however, right now, its viability is more theoretical than practical.

From a legal and regulatory standpoint, the conflict raises complex questions about force majeure, freedom of navigation, and the use of flags of convenience, which can complicate shipping operations and liability. Political decisions, such as travel bans or sanctions, could further restrict maritime movement and commercial activity. The United Nations' inability to effectively address such conflicts adds to the uncertainty, leaving commercial interests vulnerable to the strategic calculations of powerful states.

Regionally, a protracted conflict stirs deep ethno-religious tensions in the Middle East, challenging governments to balance geopolitical realities with domestic stability concerns. For the moment, the long-term role of Arab states remains uncertain.

Despite these challenges, there are opportunities for adaptation and innovation. Freight companies may benefit in the short term from increased rates due to risk and disruption, while new logistics corridors—such as rail routes through Central Asia or maritime routes around Africa—could gain prominence. Ultimately, resilience and adaptability will be key. The shipping industry and global trade must navigate this new normal, managing risks while seeking innovative solutions amid an evolving geopolitical landscape.

At the time of writing this article, the region has flirted with the idea of a ceasefire following the escalatory move by the United States by bombing three nuclear enrichment facilities in Iran; and Iran's limited and symbolic retaliation against US military interests in Qatar. The question is whether the ceasefire will hold and eventually lead towards concrete steps for peace, or whether there will be a breach and a return to hostilities. With the conflict de-escalating and peace seemingly possible, the above-mentioned scenarios and disruptions may never happen and everything will return to normal. Only time will tell!

This analysis by Ashan Wickramasinghe provides valuable insight into how interconnected geopolitical conflict, regional interests, and global commerce truly are, highlighting the challenges ahead for maritime shipping and international logistics.

COSATT-INSS-KAS INTERNATIONAL CONFERENCE

ON MARITIME SECURITY OF SMALL, MIDDLE AND ISLAND NATIONS

Fostering Dialogue Amid Competition, Cooperation, and Co-Existence

The international conference titled "Maritime Security of Small, Middle and Island Nations: Between Competition, Cooperation and Co-Existence" was successfully held from 15–16 May 2025 at the Taj Samudra Hotel, Colombo. The two-day forum was jointly organized by the Consortium of South Asian Think Tanks (COSATT), the Institute of National Security Studies (INSS), and the Konrad-Adenauer-Stiftung (KAS), bringing together a diverse and distinguished group of regional and global stakeholders.

The inaugural ceremony was graced by the Chief of National Intelligence, Major General Ruwan Wanigasooriya (Retd), representing the Secretary of the Ministry of Defence. Also in attendance as Guests of Honour were Commander of the Sri Lanka Navy, Vice Admiral Kanchana Banagoda, Commander of the Sri Lanka Air Force, Air Marshal Bandu Edirisinghe, and Chief of Staff of the Sri Lanka Army, Major General Chandana Wickramasinghe.

The event commenced with welcome remarks by Colonel Nalin Herath, Overlooking Director General and Acting Director (Research) of INSS, followed by an impactful keynote address delivered by Vice Admiral Banagoda. His speech set a firm foundation for two days of high-level dialogue, focusing on the complexities and cooperative opportunities within the maritime security landscape, particularly across the Indo-Pacific.

Adding to the opening discourse, Dr. Nishchal N. Pandey, Director of the Centre for South Asian Studies, Kathmandu, Nepal, and Convener of COSATT, emphasised the longstanding and ongoing collaboration between INSS, KAS, COSATT, and other key think tanks across the region.

High-Level Participation and Regional Representation

The conference saw the participation of representatives from the diplomatic corps, senior officers from Sri Lanka's tri-services and Coast Guard, academics, officials from relevant ministries, and delegates from international institutions and think tanks.

Importantly, 12 international speakers from India, Nepal, Bangladesh, the Philippines, Pakistan, Germany, and Singapore contributed their expertise, enriching the dialogues with diverse regional and institutional perspectives.

Thematic Panel Discussions

The conference programme was anchored by five thought-provoking thematic panel discussions:

1. Strategic Competition in Maritime Domains: Navigating Major Power Rivalries

Focused on rising geopolitical tensions and thestrategic calculus of major powers in key maritime corridors.

2. Competing Strategies: Major Powers in Asian Waters

Examined the strategic investments, military partnerships, and balancing mechanisms employed by leading global actors.

3. The EU's Strategy for Cooperation in the Indo-Pacific: A Safe Harbour for Partners

Explored the European Union's growing presence and partnerships in the Indo-Pacific maritime sphere.

4. Maritime Governance: Law of the Sea, UNCLOS, and the Rules-Based Order

Engaged in critical discussions on international legal frameworks and maritime norms shaping conduct at sea.

COSATT and Future Plans

Provided a platform to reflect on the outcomes of the conference and explore avenues for continued regional cooperation and collaborative research.

Key Insights and Emerging Challenges

Discussions highlighted both traditional and non-traditional maritime security threats. Traditional concerns included territorial disputes, strategic naval deployments, and resource competition. However, considerable focus was also placed on non-traditional issues—human trafficking, piracy, maritime terrorism, illicit maritime trade, climate change, marine environmental degradation, and rising sea levels—all of which disproportionately impact small, middle, and island nations, including Sri Lanka.

The participants engaged actively, sharing knowledge and country-specific experiences that underscored the need for greater multilateral cooperation, inclusive dialogue, and a rethinking of maritime policy frameworks to ensure stability, resilience, and sustainability in the region.

SRI LANKA–CHINA FRIENDSHIP CUP DRAGON BOAT CHAMPIONSHIP 2025

FOSTERING MARITIME HERITAGE, CULTURAL BONDS, AND SPORTING EXCELLENCE

By Rochelle Palipane Gunaratne

The Sri Lanka–China Friendship Cup Dragon Boat Championship 2025 was successfully held on 31st May at the Diyawanna Paddling Course, aligning with the traditional Chinese Dragon Boat Festival. This dynamic event symbolised not only a celebration of deep-rooted bilateral cultural ties but also reinforced the shared maritime heritage and sporting passion between Sri Lanka and China — two nations intricately linked by the sea and trade.

Organised by the National Association for Canoeing and Kayaking in Sri Lanka (NACKSL), under the Ministry of Youth Affairs and Sports, the championship was conducted in collaboration with the Embassy of the People's Republic of China in Sri Lanka and the Amateur Rowing Association of Sri Lanka (ARASL). The event was proudly held under the patronage of Hon. Minister Sunil Kumara Gamage, whose leadership highlights the government's ongoing commitment to expanding water-based sports and promoting youth engagement across the island's waterways.

Event Summary and Participation

Drawing over 300 paddlers from across Sri Lanka, the championship featured competitive racing across multiple categories relevant to various age groups and skill levels:

- Open Men and Women
- Junior Boys and Girls
- Masters Women
- Mixed Teams

Although the Masters Men category saw no entries this year, the level of competition remained intense and spirited throughout.

Championship Results

Open Men:

- Champions – Sri Lanka Navy
- Runners-up – Sri Lanka Air Force

Open Women:

- Champions – Visakha Vidyalaya, Colombo
- Runners-up – Sabaragamuwa University

Junior Boys:

- Champions – Thambaddy Government Tamil Mixed School, Jaffna
- Runners-up – Delft Maha Vidyalayam, Jaffna

Junior Girls:

- Champions – Visakha Vidyalaya, Colombo
- Runners-up – Delft Maha Vidyalayam, Jaffna

Mixed Teams:

- Champions – Sabaragamuwa University
- Runners-up – Team 3, Chinese Embassy

The participation of teams from Jaffna, particularly Delft Maha Vidyalayam and Thambaddy Government Tamil Mixed School, marks a significant milestone for water sports' reach into Sri Lanka's Northern Province — a testament to the unifying power of maritime activities in fostering national cohesion.

The Masters Women's division added a vibrant dimension, with the Ceylong team crowned champions and Wave Breakers as runners-up — reinforcing that enthusiasm and skill transcend age in maritime sports.

Strengthening Maritime and Bilateral Relations

A notable highlight was the donation of five dragon boats by the Chinese Embassy to the Ministry of Youth Affairs and Sports, a gesture underscoring the strategic maritime partnership between Sri Lanka and China. Hon. Minister Gamage formally accepted the donation, reaffirming plans to promote dragon boat racing island-wide, with a special focus on the Northern Province by allocating one boat to Jaffna — encouraging youth participation in water sports that echo Sri Lanka's historical maritime traditions.

Rear Admiral H.N.S. Perera, President of NACKSL, in his opening address, emphasised the championship's role as a cultural and sporting conduit, fostering mutual understanding and long-term cooperation between Sri Lanka and China, two maritime nations deeply connected through centuries of seafaring and trade.

Dragon Boat Racing: Maritime Tradition and Modern Sport

Originating in China over 2,000 years ago, dragon boat racing has its roots in the Duanwu Festival and commemorates the patriotic poet Qu Yuan. Legend recounts villagers racing to rescue him from the Miluo River, beating drums and splashing water to ward off harm — a ritual that evolved into the highly coordinated and rhythmically demanding sport it is today.

Now governed globally by the International Canoe Federation (ICF), dragon boat racing exemplifies teamwork, endurance, and cultural exchange — values intrinsic to maritime communities and the shipping industry.

Conclusion

The Sri Lanka–China Friendship Cup 2025 was more than just a competition; it was a celebration of shared maritime heritage, youth empowerment, and cross-cultural solidarity. Supported by the Ministry of Youth Affairs and Sports, NACKSL, and the Chinese Embassy, the event highlights the promising future of dragon boat racing in Sri Lanka — a sport that resonates deeply with the maritime identity and global outlook of the island nation.

CLIMATE SECURITY IN SOUTH ASIA: A CALL FOR URGENT ACTION

The staggering impact of climate change on security, human displacement, and economic stability took center stage at a recent regional conference in Dhaka, Bangladesh. Titled **Droughts, Floods, and Fault Lines: A Regional Conference on Climate Security in South Asia,** the two-day event was organized on February 24-25 by the Bangladesh Institute of Peace and Strategic Studies (BIPSS). Eminent experts from across South Asia participated, offering insights, solutions, and policy recommendations to address the region's escalating climate crisis.

Climate Change: A Threat Multiplier

In his opening remarks, Bernd Spanier, Deputy Head of the European Union Delegation to Bangladesh, emphasized that climate change acts as a "threat multiplier," exacerbating existing security and economic challenges. Notably, the conference saw strong participation from security forces, highlighting the need for cross-sector collaboration between civil society and military institutions to combat climate-induced threats.

Air Vice Marshal (Retd) Mahmud Hussain, former ambassador and distinguished expert at Bangabandhu Sheikh Mujibur Rahman Aviation and Aerospace University (BSMRAAU), underscored the severe security implications of climate change in his presentation, Storms and Stability: The Security Sector's Role in Climate Security. Citing historical examples, he pointed to the Bhola cyclone of 1970 as a contributing factor to Pakistan's disintegration, stressing that "failure to respond to climate disasters leads to political disaster." He advocated for a comprehensive national strategy on climate security, with military institutions integrating climate science into their frameworks.

Sri Lankan reprasentative Colonel Nalin Herath RSP Director of Media at Sri Lanka's Ministry of Defence and Acting Director General of INSS

Climate-driven displacement will surpass 80 million people by 2050. Such large-scale migration could lead to socio-political instability, with implications extending beyond national borders.

Adapting to a Changing Climate

Dr. Salma Malik, Professor and External Linkages Director at Quaid-i-Azam University, Islamabad, reflected on the shifting nature of seasons, warning that complacency is not an option. "We need to change our mindset. By playing victim, we absolve ourselves of responsibility," she remarked. She highlighted South Asia's entrapment in the politics of adaptability, urging nations to develop indigenous solutions rather than relying on outdated colonial-era policies.

Lobzang Dorji, a PhD research scholar from Bhutan affiliated with the DCAF-Geneva Centre for Security Sector Governance, discussed the direct link between climate change, food insecurity, and migration. In his paper Hungry People, Angry People: Climate Security and the Fight for Food Security, he emphasized that South Asia, heavily reliant on monsoon-fed agriculture, faces devastating consequences from erratic weather patterns. Rising sea levels, for example, are increasing soil salinity in Bangladesh, severely impacting rice production.

Dorji advocated for crop diversification and regional cooperation through initiatives like the SAARC Food and Seed Banks, though he acknowledged political obstacles. Strengthening food security strategies, he argued, is essential to curbing migration and preventing economic destabilization.

Renewable Energy and Transboundary Resource Management

Col. Nalin Herath, RSP, Director of Media at Sri Lanka's Ministry of Defence and Acting Director General of INSS, examined financial mechanisms to combat climate change in his presentation Powering Peace: Renewable Energy for Climate Security in South Asia. He discussed innovative financing models, including climate bonds,

The foreign panelists with H.E EU Amb. Micheal Muller at Dhaka

public-private partnerships, and the potential for a South Asia Power Pool (SAPP) to promote regional energy integration. While acknowledging economic and political barriers, he stressed that overcoming these hurdles is essential for a sustainable future.

The issue of transboundary water management was addressed by Bharat Bhusan, South Asia Editor at 360 Info and a researcher at the Australian National University. His presentation, Water Wars or Water Wisdom? Climate Security through Resource Sustainability, focused on the critical need for cooperative governance in water resource management. He pointed out that while the Indus Water Treaty between India and Pakistan remains largely effective, the Ganges Treaty between India and Bangladesh is fraught with disputes. The long-pending Teesta water-sharing agreement between the two nations further complicates matters.

Bhusan urged South Asian nations to embrace best practices, such as data-sharing systems, early warning mechanisms, and joint water management strategies, to prevent conflicts over shared resources.

Climate-Induced Migration and Geopolitical Risks

Addressing the human cost of climate change, Iffat Anjum, Assistant Professor of International Relations at BUP, warned that climate-induced migration is escalating at an alarming rate. In her paper, Fleeing the Storm: Climate Security and Migration in South Asia, she projected that climate-driven displacement will surpass 80 million people by 2050. Such large-scale migration could lead to socio-political instability, with implications extending beyond national borders.

Major General Binaj Basnyat (Retd), Strategic Analyst of the Nepalese Army, explored the intersection of climate change and geopolitical tensions in his session Climate Chaos, Border Tensions: Navigating Climate Security in a Warming World. He advocated for "green diplomacy through military diplomacy," encouraging South Asian governments and security forces to collaborate on climate security initiatives.

A Call to Action

In his concluding remarks, Major General ANM Muniruzzaman (Retd), President of BIPSS, warned that 20-30 million people in Bangladesh alone could be displaced by climate change by 2050. The transboundary implications of such displacement could trigger regional instability, and in extreme cases, entire nations—such as the Maldives and some Pacific islands—face existential threats.

Muniruzzaman called for urgent investment in climate resilience, sustainable development, and international cooperation to mitigate security threats. "Time is running out," he stressed. "Without immediate action, we risk witnessing unprecedented human displacement and global destabilization."

As South Asia grapples with the realities of climate change, the conference underscored a pressing truth: tackling climate security requires a unified approach, spanning policy, finance, science, and security sectors. Without decisive action, the region's stability and economic future remain at grave risk.

Rotaract
Colombo Heritage

Uniting Communities to Empower Amputees and Promote Inclusivity

The Youth Council of the Colombo Friend in Need Society (CFINS), in collaboration with Rotaract and Interact Clubs, successfully organised Walk4Hope, a 3KM run/walk designed to raise awareness and foster empathy for amputees in Sri Lanka. The event took place on 23rd February, commencing from the CFINS Centre at 171 Sir James Pieris Mawatha, Colombo 00200.

More than just a walk, Walk4Hope marked the launch of a movement dedicated to promoting inclusivity, empathy, and awareness for amputees across the country. The initiative aimed to encourage youth engagement, social responsibility, and a greater sense of solidarity with individuals facing mobility challenges. Participants of all ages united in support of the differently abled community, challenging outdated perceptions and advocating for a more inclusive society. Disability is often perceived

as a limitation, particularly among older generations. However, being disabled does not mean being incapable—it means being differently abled, and this perspective is essential to fostering an inclusive environment.

The Colombo Friend in Need Society (CFINS), Sri Lanka's oldest charitable organisation, has been instrumental in creating such an environment since its establishment in 1831. CFINS is dedicated to improving the lives of amputees by providing prosthetic limbs and rehabilitation services free of charge, funded solely through donations. Through its initiatives, CFINS continues to empower individuals with disabilities and promote inclusivity, ensuring no one is left behind. Walk4Hope was a testament to this mission, seeking to shed light on the challenges faced by amputees and inspire greater community involvement in their rehabilitation and integration into society.

The event was supported by its main sponsor, Anim8, which provided banners, posters, and promotional materials to enhance the message of inclusivity. Families, youth, and individuals from all walks of life participated in this impactful initiative.

The programme commenced at 3:00 PM with a guided tour of the CFINS facilities, where attendees gained insight into the organisation's services. The tour concluded at stalls set up by CFINS' self-employment project, featuring entrepreneurial amputees showcasing and selling their products, alongside other food vendors.

Following the tour, participants gathered for the second phase of the awareness session, featuring prominent speakers who addressed the significance of the event and the social stereotypes faced by amputees. The distinguished

panel included CFINS Board of Management member and renowned marine biologist Dr Asha de Vos; Naveed Raheem, a para-athlete who represented Sri Lanka in the 2024 Paralympic Games; Madushanka Fernando, a differently abled technician at CFINS; university students Wasana Sewwandi and R.P.S.D. Rajapaksha; and CFINS Youth Council President and Walk4Hope Chairperson, Jadyn de Silva. A generous donation was also presented by Colombo Night Run in support of CFINS' ongoing initiatives.

The event culminated with the highly anticipated Walk4Hope run/walk. The walk began with a symbolic moment—individuals with disabilities led the way, hand in hand, for the first segment of the journey. The route extended from the CFINS Centre around Viharamahadevi Park before returning to the starting point. After completing the walk, participants engaged with the differently abled community, connected with one another, and supported the entrepreneurial stalls.

Walk4Hope was a resounding success, marking the beginning of a movement towards a more inclusive society. The organisers remain committed to continuing this vital conversation and inspiring positive change in Sri Lanka.

SRI LANKA'S BULK AND CONVENTIONAL CARGO LANDSCAPE:

CURRENT STATE AND FUTURE POTENTIAL

UNDERSTANDING CONVENTIONAL AND BREAK-BULK SHIPPING

Conventional and break-bulk shipping refers to cargo that cannot be containerised due to size, shape, or handling complexities. These types of cargo are typically oversized, awkwardly shaped, or require special handling, making them unsuitable for standard containers. In such cases, using conventional or break-bulk vessels allows for greater flexibility and cost-efficiency, particularly when transporting large volumes of a single type of cargo.

Break-bulk cargo can generally be categorised into two main forms: liquid bulk and dry bulk.

Liquid Bulk includes commodities such as crude oil, petroleum products, and other liquid chemicals. These are typically transported using tankers or specialised liquid cargo carriers.

Dry Bulk covers materials like iron ore, steel, fertiliser, grain, and other dry commodities. These are transported in bulk carriers designed for such goods.

In addition to these, there are general-purpose vessels, which are closely related to conventional vessels. These ships are highly versatile and can carry a mix of cargo types—including containers, vehicles, package cargo and machinery within a single voyage. This flexibility makes them a valuable asset in global trade, especially for routes or shipments that require diverse cargo handling.

Just as container vessels have evolved, the conventional and break-bulk carriers have also developed and continue to play a significant role in global logistics trade offering customers tailored logistics solutions and economy of scale, which is paramount importance to the industry.

A STRATEGIC OVERVIEW OF SRI LANKA'S MAJOR PORTS AND THEIR CARGO OPERATIONS

Sri Lanka's port infrastructure can be strategically positioned classified into five primary ports: Colombo, Trincomalee, Galle, Kankesanthurai (KKS), and Hambantota. While Colombo remains the epicentre of maritime activity, each port plays a distinct role in handling various types of cargo, from conventional and break-bulk to bulk and Ro/Ro (roll-on/roll-off) operations.

COLOMBO PORT

Colombo is the busiest and most commercially significant port in Sri Lanka. According to the latest port statistics, Colombo handles an average of 4–5 conventional vessels per month, totalling approximately 50 conventional vessel calls annually. In addition, around 20 bulk vessels, including those carrying liquid cargo, fertiliser, and steel, call at the port each month—adding up to approximately 230 bulk vessel calls annually. Combined, Colombo manages around 280 conventional and bulk vessel arrivals each year.

In terms of cargo tonnage, Colombo handles:

- Bulk cargo (e.g., vehicles, locomotives, project cargo): approx. 600,000 tonnes
- Dry bulk (e.g., fuel, cement, wheat): approx. 1.5 million tonnes
- Liquid bulk (e.g., crude oil, petroleum): approx. 5 million tonnes

This brings Colombo's total annual cargo throughput to nearly 7 million tonnes without its container volume, underscoring its central role in national logistics.

TRINCOMALEE PORT

Trincomalee is Sri Lanka's second-most active bulk port, handling around 7 vessel calls per month, or approximately 85 annually. It plays a significant role in dry and liquid bulk handling, with annual volumes as follows:

- Fuel: approx. 500,000 tonnes
- Cement: approx. 1 million tonnes
- Wheat: approx. 650,000 tonnes

The port's total annual throughput is around 2.5 million tonnes.

GALLE PORT

Galle sees minimal activity in conventional cargo, averaging only six vessel calls per year. Its operations are primarily limited to small-scale cargo handling such as minor bulk consignments, passengers and other auxiliary services. Its annual throughput of cargo is estimated at just 250 to 500 tons.

KANKESANTHURAI (KKS) AND SMALLER NORTHERN PORTS

Ports such as KKS and Point Pedro are relatively minor in scale in terms of cargo handled. Together, they handle about 40 small vessels per year. These ports typically accommodate small crafts and barges due to shallow waters and limited infrastructure, and they contribute insignificantly to overall cargo volume.

HAMBANTOTA PORT

Hambantota is unique among Sri Lanka's ports in being managed by a private operator, China Merchants Port Holdings. Originally constructed as a container port, it has evolved into a key hub for bulk, Ro/Ro (car carriers), and liquid cargo operations. Based on recent data:

- Conventional cargo vessels: approx. 400 annually
- Ro/Ro vessels: approx. 270 annually
- Annual cargo volumes at Hambantota include:
- Bulk cargo (e.g., iron, cement): approx. 500,000 tonnes
- Dry bulk (e.g., fuel, cement, wheat): approx. 900,000 tonnes
- Liquid bulk (e.g., crude oil, petroleum): approx. 1 million tonnes

Hambantota's total annual throughput is estimated at 1.6 million tonnes without the container volume, however there is a growing capacity in container handling due to recent infrastructure investments.

LOOKING AHEAD, COLOMBO PORT IS NEARING ITS CAPACITY LIMITS DUE TO ITS LOCATION IN A DENSELY POPULATED URBAN AREA, WITH LIMITED LAND AVAILABLE FOR EXPANSION.

COLOMBO REMAINS DOMINANT BECAUSE OF ITS ACCESSIBILITY TO MAIN MARKETS AND ALREADY DEVELOPED ECOSYSTEM.

In Sri Lanka, the handling of bulk and conventional cargo is largely influenced by the geography of its ports and the proximity of factories, importers, and buyers. Colombo Port, being the central and most developed port, has naturally assumed the leading role due to its infrastructure and access to key markets. However, this centralisation has also highlighted the need for strategic diversification.

Ports like Trincomalee and Hambantota were developed with the intention of expanding Sri Lanka's maritime capabilities. Trincomalee, for instance, is geographically well-positioned and boasts one of the world's deepest natural harbours. Yet, its cargo volume remains limited due to the presence of only a few active customers—mainly wheat, oil, cement-related operations and other project cargo. Hambantota, on the other hand, was developed as a complementary port to Colombo, initially focusing on car carriers and later expanding to handle project cargo, cement, oil bunkering, and other bulk operations.

A significant insight is that port development greatly affects the strategic positioning of cargo owners and businesses to setup their own business structure and operation. Colombo remains dominant because of its accessibility to main markets and already developed ecosystem. It is evident that private sector investment in conventional and bulk cargo handling capabilities is almost nil, primarily due to profitability concerns and infrastructure limitations.

Currently, Sri Lanka has five major terminals in Colombo (two government-owned, others privately operated), with the private sector focusing heavily on container operations, where the return on investment is higher. In contrast, conventional and bulk cargo handling has largely remained within the domain of the Sri Lanka Ports Authority (SLPA), which has played a critical role in ensuring national economic interests are safeguarded—particularly when it comes to the importation of raw materials that directly affect domestic production costs and, ultimately, consumer prices.

Still, ports like Galle and KKS also handle smaller volumes of bulk and conventional cargo, and the efforts by SLPA to sustain and develop these services are essential in preventing operational and cost-related challenges for ship owners and importers.

Looking ahead, Colombo Port is nearing its capacity limits due to its location in a densely populated urban area, with limited land available for expansion. This makes the case for developing ports like Hambantota, Galle, and Trincomalee even stronger. Diversifying operations across other ports in Sri Lanka, would not only ease congestion in Colombo but also distribute economic activity more evenly throughout the island.

However, this decentralisation can only be successful if infrastructure and regulatory support are developed simultaneously. Many entrepreneurs and businesses have shown interest in establishing factories closer to ports like Hambantota and Trincomalee, but challenges such as high transport costs, lack of customs facilities, and regulatory red tape have been major deterrents. With a more business community aligned port development, we would be able to attract larger volumes of cargo if the cost of inland transport can be minimised by re-positioning factories nearer to ports outside Colombo. This require collaborative efforts from government, ports and business community which will create a win-win situation for all.

Strategically, future growth in bulk cargo—such as steel, cement, fertiliser, and liquid bulk—is expected to rise, especially with post-crisis economic stabilisation. 2024 has already seen a return to healthy volumes, particularly in industrial and agriculture sector , and this growth is expected to continue.

Despite promising developments, both Colombo and Hambantota are increasingly shifting focus toward containerisation. Colombo's 2050 vision places heavy emphasis on container volume growth, and while conventional cargo is acknowledged, the development remains theoretical. Hambantota, although geographically advantageous and designated as a port free zone, also seems to be moving more aggressively toward container handling.

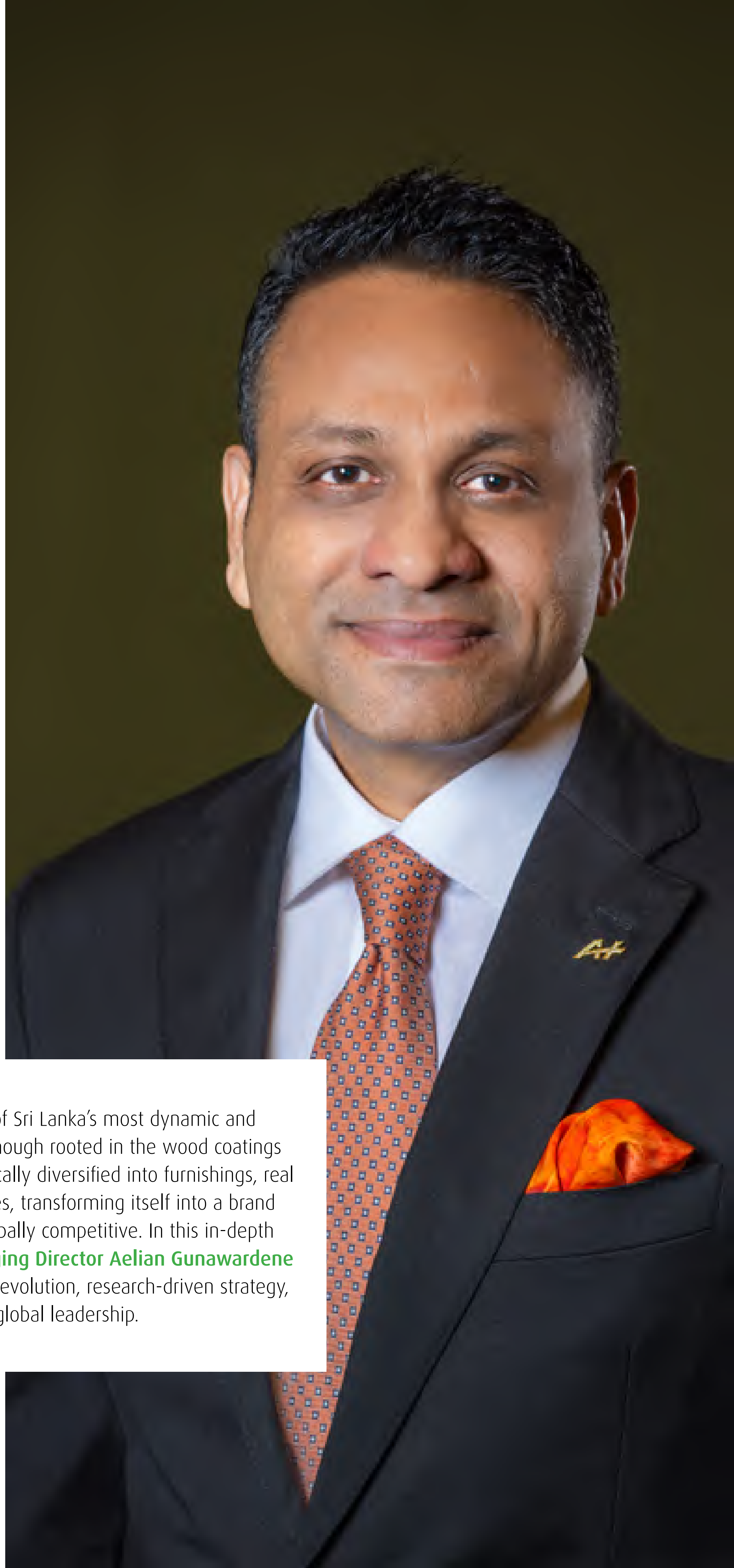
Given these trends, the development of bulk and conventional cargo infrastructure—especially in ports like Colombo, Galle, Trincomalee and other ports in Sri Lanka—requires urgent attention. The main bottlenecks are lack of berth options, modern equipment, inefficient handling processes, and limited storage space, all of which increase vessel waiting times and ultimately raise in cost to principals which undoubtably affects the final cost to end user.

There is, also, significant potential in transshipment for bulk cargo—especially for fertiliser and oil. Hambantota is already advancing in oil bunkering and refinery infrastructure, while Trincomalee offers an unmatched deep-water advantage but lacks pier infrastructure and warehouse development. With strategic investment and collaboration between government bodies, port authorities, and private investors, these ports could be transformed into specialised hubs for conventional and bulk cargo transhipment.

Ultimately, Sri Lanka's ability to fully realise the potential of its bulk and conventional cargo sector will depend on how well it balances infrastructure development, regulatory reform, and economic decentralisation. If done right, the country could unlock new opportunities, reduce operational costs, and strengthen its position as a regional maritime hub to serve diverse sectors of port activity.

JAT HOLDINGS: Powering Growth Through Innovation, Diversification, and Sustainability

JAT Holdings has emerged as one of Sri Lanka's most dynamic and forward-thinking conglomerates. Though rooted in the wood coatings industry, the company has strategically diversified into furnishings, real estate, and sustainable technologies, transforming itself into a brand that is both future-focused and globally competitive. In this in-depth conversation, **Founder and Managing Director Aelian Gunawardene** shares insights into the company's evolution, research-driven strategy, sustainability goals, and vision for global leadership.



By Rochelle Palipane Gunaratne

Our biggest challenge wasn't supply or logistics...

From Startup to Sector Leader

Founded in 1993, JAT Holdings began with a singular focus: to introduce world-class polyurethane (PU) coatings to the Sri Lankan market. "At the time, high quality scratch, heat and chemical resistant wood coatings were not an established category here," recalls Aelian Gunawardene. "We introduced a revolutionary Italian PU product that changed how people treated and preserved wood."

That early move—importing and marketing cutting-edge coatings from Italy—was a lesson in both entrepreneurship and customer education. "Our biggest challenge wasn't supply or logistics. It was convincing people of the positives of Two Pack Polyurethane (PU) wood coatings over Single component Nitrocellulose (NC) clear coating on wood was necessary," he explains. "We built our business one demonstration at a time."

Today, JAT is not only the undisputed leader in wood coatings in Sri Lanka, commanding over 60% market share, but also a regional force, with a growing presence in Bangladesh, the Maldives, India, and Africa. The company's transformation from a single-product importer to a publicly listed multinational reflects a strategy grounded in research, innovation, and relentless execution.

A Culture of Innovation

Central to JAT's growth is its commitment to research and development. "We are not in the business of selling paint—we are in the business of delivering surface solutions," Gunawardene says, underscoring the company's evolution beyond mere product supply.

In 2022, JAT Holdings invested heavily in expanding its already superior R&D centre, designed to create tailor-made formulations that meet regional climatic and environmental needs. "What works in Europe won't necessarily work here. We have invested in a state-of-the-art lab where we test for humidity, temperature, and durability under South Asian conditions."

This R&D capability has not only allowed the company to localize and optimize global formulations but has also laid the foundation for the development of its own proprietary brands.

Strategic Diversification

While coatings remain the core, JAT's diversification strategy is equally noteworthy. The company has extended into multiple verticals—from premium furniture through JAT Furnishing, to real estate developments by JAT Living and now sustainable Mineral Seperation through James Global.

"We understood that the same customer buying our coatings was also looking for quality interior solutions. It made sense to offer complete lifestyle and design ecosystems," Gunawardene notes. JAT Furnishing now features high-end office furniture, Timber flooring, and kitchen solutions in partnership with brands like SEAFORM, Oppein, Lifewood and Herman Miller.

Another strategic play has been in construction solutions, including wood substitutes such as strand woven Bamboo Decking. "We are working on products that are not only high-performance but also eco-friendly—like engineered wood that uses fast-growing plantation timber instead of slow-growing natural forest wood," he explains.

Entering the Marine Coatings Arena

In line with its strategy to explore high-growth, high-technology sectors, JAT Holdings is now preparing to make a calculated entry into the marine coatings space—a highly specialized and competitive segment of the global paints industry.

"Marine paints are a logical next step for us," says Gunawardene. "It's a sector that demands advanced formulations, durability, and environmental compliance. With our R&D capacity, technical expertise, and market insight, we believe we can add significant value."

This move is aligned with JAT's ambition to tap into Sri Lanka's growing maritime economy and the broader Indian Ocean region's shipping and logistics boom. The company is currently exploring partnerships and technology transfers to fast-track its entry into this specialized market.

"We don't want to be just a player—we want to be a disruptive force in marine coatings, particularly in anti-fouling and corrosion-resistant technologies," Gunawardene affirms. The initiative also supports national goals to develop Sri Lanka as a maritime hub, enhancing JAT's position as a homegrown brand with global ambitions.

Our aim is to offer products that are safer, greener, and healthier for both people and the planet

Expanding Horizons: Entering the Marine Minerals Sector

Beyond paints, JAT is involved in mining valuable minerals from the seashore, a pioneering initiative in Sri Lanka's blue economy. "We separate heavy minerals such as Ilmenite, Zircon, Monazite and Rutile through the latest technologies of mineral separation, and then transport them via barges from Trincomalee to Colombo Port.

The minerals mined from the seashore are carefully loaded into containers and shipped globally, leveraging Sri Lanka's growing reputation as a hub for maritime logistics and trade. "The port infrastructure allows efficient transfer of these minerals onto container ships, ensuring smooth export operations and timely delivery to international customers," he adds.

The heavy minerals venture reflects JAT's vision to integrate innovation with sustainable resource utilization, while capitalizing on Sri Lanka's unique geographic advantage.

Sustainability at the Core

For JAT, sustainability is not an afterthought—it's embedded in the product and production lifecycle. "Our aim is to offer products that are safer, greener, and healthier for both people and the planet," says Gunawardene.

This includes low-VOC (volatile organic compound) coatings, water-based solutions, and recyclable packaging. The company's own facilities are being upgraded with solar energy integration and energy-efficient systems to reduce their operational footprint.

Sri Lanka has emerged as one of the top countries taking progressive steps in adopting water based wood coatings, with approximately 60% of the market now using water-based products—a trend that aligns closely with JAT's sustainability mission. "This shift shows the growing environmental consciousness within the local industry, and we're proud to have led the charge by offering high-quality water-based alternatives well ahead of the curve," Gunawardene notes.

The Export Growth Mindset

Over the last 15 years, JAT has doubled down on its export strategy, with Bangladesh and Maldives being a major success story. "Bangladesh is now our second home. We have built a significant market share there, and we are constantly expanding," says Gunawardene. The company has also set up its operations in East Africa, where infrastructure development is opening new doors.

"Our model was to enter with a strong local partner, adapt the product to the environment, and then build the brand organically. We're not interested in short-term wins; we're here to create a sustainable long-term presence."

Investing in People and Culture

Behind JAT's success is a deeply embedded company culture focused on performance, innovation, and integrity. "We believe in empowering our people, offering them opportunities to grow, and aligning them with the company's values," says Gunawardene. Furthermore, "JAT Shuttle" program, a university undergraduate skill development program, is another wholesome venture by the company.

During the IPO in 2021, JAT made headlines not just for its market performance but also for its Employee Share Option Plan (ESOP), enabling employees to become part-owners of the company. "We believe when our people succeed, the company succeeds."

Looking Ahead

As the global coatings and construction industry shifts towards more sustainable, digital, and design-driven solutions, JAT Holdings is positioning itself as a regional innovation hub.

"Our long-term vision is to be the most innovative and sustainable company in South Asia in our category," says Gunawardene. This includes scaling up exports, investing in green building technologies, launching disruptive solutions—and now, innovating in marine coatings.

A Legacy of Vision

At its core, JAT Holdings is a story of long-term vision, built on an uncompromising belief in quality, innovation, and values. "We never wanted to be just another supplier. We wanted to lead, to shape industries, and to create real value for people," says Gunawardene.

More than three decades later, JAT Holdings continues to do just that—transforming spaces, redefining standards, and proving that a Sri Lankan company can set benchmarks that resonate far beyond its borders.

GOVERNANCE *for* GROWTH

TRANSFORMING SRI LANKA'S GLOBAL COMPETITIVENESS

Verité Research and the delegation of the European Union to the Sri Lanka and the Maldives (in partnership with the Lakshman Kadiragamar Institute) held a discussion titled, ' Governance for Growth – Transforming Sri Lanka's global competitiveness' at the Lakshman Kadiragamar Institute (LKI) on 27th February 2025. The panel consists of erudite scholars, foreign and local dignitaries from the public and private sectors; H.E.Carmen Moreno; Ambassador of the European Union to Sri Lanka and Maldives, Dr.Nishan De Mel; Executive Director of Verité Research, Amb. Ravinatha Aryasinha, K.A.Vimalenthirarajah; Secretary to the Ministry of Trade, Denver de Zylva; Global Head of sustainability & Facilities, Virtusa, Sean Van Dort; Chairman, Global Shipper's Forum, Subhashini Abeysinghe, Research Director, Verité Research.

The following are concise versions of the discussion.

Our collaboration with UNIDO focuses on empowering medium and small enterprises to meet international standards, fostering access to global markets.

Ravinatha :

A year ago, Subhashini was part of the panel discussing the IMF diagnostic report and its implications. Today, significant progress has been made, both globally and within Sri Lanka, with developments such as a national budget and broader shifts in governance. As we navigate these changes, strengthening governance frameworks has become our central focus.

This session, supported by Ambassador Moreno in collaboration with Verité and LKI, marks the first joint effort between these institutions, broadening the scope of our governance discourse. Engaging a diverse group of stakeholders allows for a more comprehensive and inclusive dialogue.

We are honoured to have Ambassador Moreno share insights on global governance trends and their local implications. Following this, Nishan, who has extensively studied the subject, will provide a detailed analysis. The panel discussion, led by Nishan, will delve deeper into these critical issues with contributions from distinguished experts.

We are pleased to see a diverse audience—including former ministers, diplomats, officials, civil society members, and think tanks—joining us today to share valuable perspectives. We look forward to a thought-provoking and enriching discussion on governance, an issue of vital importance not only for Sri Lanka but for the global landscape as well.

With that, I invite Ambassador Moreno to take the floor. Thank you all for being here.

H.E.Amb. Moreno :

Strategic Governance for Sri Lanka's Competitive Growth

As the global trade landscape evolves, Sri Lanka must adopt a governance framework that enhances economic diplomacy, market access, and competitiveness. With global trade shifting towards regional integration, Sri Lanka must strengthen connectivity, diversify market opportunities, and embrace digitalization to remain relevant.

To thrive in this competitive environment, Sri Lanka should prioritise reforms that attract investment, foster innovation, and streamline regulations while maintaining its commitment to social development and transparency. A governance model that balances economic growth with human development will position Sri Lanka as a resilient and dynamic player in the global economy.

By aligning with like-minded international partners and reinforcing a strong social contract, Sri Lanka can navigate complexity and build a sustainable future for its people and industries.

Enhancing Sri Lanka's Economic Competitiveness Through Governance and Market Access

Our collaboration with UNIDO focuses on empowering medium and small enterprises to meet international standards, fostering access to global markets. Despite Sri Lanka's potential, its export portfolio remains narrow, limiting its ability to leverage trade agreements such as the GSP+. Expanding market access and improving governance frameworks are crucial to attracting investment, diversifying production, and strengthening economic resilience.

Transparency, stability, and strategic planning are essential for investor confidence and economic growth. By streamlining regulations, enhancing public investment planning, and fostering global partnerships, Sri Lanka can position itself as a competitive hub in international trade and investment.

Ravinatha :

Thank you very much, Ambassador. At a time when things are in flux, I think that's very reassuring for Sri

Lankan investors and industrialists to be assured of the continuity and stability of the European market and the relationship which is there and how it can be built on.

And thank you for feeding that in, because that will carry through to the rest of this discussion, because many of the issues which you raise are the issues which Sri Lanka is trying to grapple with. And Dr. Nishan De Mel is the Executive Director of Verite. Nishan, I invite you to make your presentation so that we get a Sri Lankan perspective on some of these issues, and then we can build on that during the panel discussion.

Nishan :

Governance is the foundation of a well-functioning society and economy. Effective governance creates an environment where markets thrive, competition is encouraged, and barriers to entry are minimized. However, governance is not just about laws and regulations—it requires a cultural shift in public service, from control to facilitation. A government that enables growth must prioritise transparency, efficiency, and accessibility, ensuring that individuals and businesses can contribute to economic progress. While digitisation and technology are valuable tools, they cannot replace the essential human will to serve and support. True development occurs when governance is structured to empower rather than obstruct, fostering a system where both government and the private sector work collaboratively to drive sustainable growth.

In today's rapidly evolving global trade and investment landscape, economic principles are shifting due to political and national security concerns, creating uncertainty for businesses. For Sri Lanka, sustainable growth depends on trade and investment, yet the nation faces challenges such as limited market size, labour shortages, and land constraints.

To remain competitive, Sri Lanka must focus on efficiency, ease of doing business, and governance reforms. Improving transparency, reducing corruption, and leveraging technology are crucial to attracting investors. Countries like Georgia have successfully transformed governance, proving that strong political will, streamlined government operations, and strategic reforms can drive economic progress. Sri Lanka must adopt similar strategies to enhance its investment climate, ensuring long-term economic resilience.

Sean :

Sri Lanka's trade and investment landscape is hindered by excessive bureaucracy, inefficiencies, and corruption. With 38 separate licensing authorities overseeing import and export operations, businesses face complex and time-consuming regulatory hurdles. The lack of political and institutional will to streamline processes has led to systemic corruption, with both public officials and private sector actors contributing to the issue.

To foster economic growth and attract investment, Sri Lanka must implement governance reforms, reduce bureaucratic red tape, and consolidate regulatory agencies. A centralized, accountable authority with a transparent and efficient framework is essential for improving ease of doing business, eliminating corruption, and driving sustainable economic development.

Denver :

Vertusa, founded by Sri Lanka in the US, now operates in 29 countries across 59 locations with a workforce of 30,000. Built on core values of Passion, Innovation, Respect, and Leadership (PERL), these principles have shaped the company's growth and success. Vertusa's commitment to upholding these values across all locations, including its large campuses in India, has been crucial in maintaining a strong, ethical culture.

The company's foundation on clear values and policies has driven sustainable business practices and adherence to high standards of environmental, social, and governance (ESG) performance, with a carbon rating of A-, equivalent to that of Apple. Despite challenges such as complex regulations, Vertusa emphasizes the importance of valuing and appreciating regulations that facilitate a level playing field, particularly for SMEs.

Vertusa demonstrates that businesses can succeed without resorting to corruption, stressing the significance of establishing strong systems and governance processes. The company promotes a collective action approach within the private sector, encouraging businesses to resist corrupt practices by adhering to transparent, ethical standards. In doing so, it has set a high benchmark for the private sector in Sri Lanka and beyond.

The issue of corruption is complex and multifaceted, encompassing both the demand and supply sides. It is not only a governance issue but also a societal and private sector issue that requires a holistic approach. In Sri Lanka, corruption has unfortunately become a norm in some places, with practices such as bribery becoming accepted behavior for public services. Tackling this requires reform across all three pillars of governance: citizens, private sector, and government.

Effective governance reform, aimed at improving transparency and consistency, is crucial to combating corruption. A critical step towards this is addressing the structural factors that enable corruption, such as policy inconsistency. Additionally, it is important to implement policies that create a level playing field, promote accountability, and reduce opportunities for misuse.

To foster economic growth and attract investment, Sri Lanka must implement governance reforms, reduce bureaucratic red tape, and consolidate regulatory agencies.

While the government has made efforts, including the introduction of the Public Finance Management Act, further measures are necessary to ensure systemic change. The ongoing crisis provides an opportunity to address these issues and move towards more transparent and consistent governance practices. This comprehensive approach will be key to reducing corruption and improving overall governance in the country.

Nishan :

There's a question that says, look, is there over-regulation? Is there too many laws and rules? Is the corruption being facilitated really because there's too much control by government? Is government generally too big? You know, I said you aren't getting the government, but maybe there is too much government as well. And is that a problem? Ambassador, you can take the microphone up here or your answer from there.

Do you feel there are things that you experience from the EU that can be seen? (Question posed to Amb. Moreno)

Amb. Moreno :

Governance reforms are highly contextual, influenced by culture, society, and development levels. In the European Union, countries undergo comprehensive transformations to align with EU regulations. A key example is the transition of Eastern European nations, which overhauled governance systems and adopted new technologies to meet EU standards.

Spain's accession in 1996 highlighted the importance of public engagement, particularly in addressing corruption and tax compliance. Public awareness campaigns educated citizens on the necessity and benefits of taxation, fostering a culture of accountability.

The EU also facilitates reforms through peer-to-peer support, where member states assist newcomers in navigating challenges and upgrading systems, ensuring a smoother integration process.

Nishan :

Would you agree that having 38 agencies is excessive? If so, by how many would you consider reducing them? Additionally, with digital transformation advancing, when do you plan to implement a single-window system?

The private sector has consistently raised concerns about excessive regulations, even if not explicitly mentioned in this panel. Acknowledging these valid complaints, how do you intend to streamline regulatory processes to enhance efficiency and reduce bureaucratic burdens?

Subashini :

Sri Lanka faces significant regulatory challenges that hinder business growth and exports. Currently ranked 99th in the trade business index, the country must streamline processes to move into the top 50—ideally the top 25. Over-regulation disproportionately impacts exporters, subjecting them to extensive quality checks, often exceeding international requirements. Meanwhile, domestic consumers lack adequate mandatory standards for imported goods.

Georgia offers a strong reform model, having reduced business licenses from 900 to 137 and cutting permit processing times from 195 to 67 days between 2004 and 2011. Similar reforms in Sri Lanka could reduce bureaucratic delays and curb corruption, particularly at border agencies where inefficiencies and bribery disrupt exports.

For exporters, timely delivery is crucial. Delays force them to pay unofficial fees or risk losing buyers to competitors like Vietnam or India. Importers of consumable goods can absorb extra costs, but industrial importers—who rely on speed for manufacturing and re-exporting—struggle the most. Border protection agencies further exacerbate the issue by taking samples from shipments without accountability.

To enhance trade competitiveness, Sri Lanka must focus on streamlining, simplifying, and automating regulatory processes. Introducing contractual guarantees for port clearance times could provide much-needed efficiency and transparency in the export sector.

Customs and BOI agencies must be assigned clear, stringent KPIs and held accountable—something no government has enforced due to concerns over customs influence.

The solution lies in establishing a single regulatory platform to streamline and automate processes, aligning with global best practices. Border management agencies worldwide operate under specific Acts of Parliament, ensuring structured governance.

To boost exports, we must prioritise process simplification, automation, and a national single window system that integrates with a regional framework. Additionally, a public trade facilitation action plan will enhance transparency and efficiency.

Denver's Statement on Digitization and Technology

Digitization is a powerful tool for transparency and accountability, ensuring every transaction is traceable. While the right to information and privacy must be respected, the level of transparency digitization offers is unparalleled—it significantly reduces opportunities for corruption and enhances trust in financial and business processes.

Private companies are increasingly shifting to digital payments and bank transfers, reinforcing financial integrity and compliance. As Sean noted, each organisation must adapt based on its circumstances, but the priority should be establishing a strong digital foundation.

Beyond finance, the digital era fosters personal accountability. With a 92% literacy rate and high digital penetration in South Asia, people are leveraging technology to access information, create knowledge, and make informed decisions. The widespread use of smartphones, video recordings, and social media is holding both governments and private entities accountable, with even major political transitions happening through digital platforms.

For our business, integrity remains paramount. We uphold responsible practices, including ethical gifting policies, ensuring compliance with predefined value limits per country.

The way forward is clear—leveraging digitization to drive accountability, combat corruption, and create a more transparent and responsible business environment, step by step.

Moderator:

Has the panel reached any concrete agreements today that will have practical value for the future, particularly as we push forward with the trade secretary's agenda? Is there something specific, such as a commitment, agreement, or timeline, that can be shared with the audience? There's a clear desire here to move beyond identifying the problem, with the audience eager to hear about solutions and when they can expect them.

Denver:

Instead of pressuring the government further, I'm shifting focus to the private sector. How many of you have an anti-bribery and corruption policy in your companies? If the private sector doesn't commit to adhering to such policies, simply blaming the government is futile. As I've pointed out before, 50% of the problem lies with the government, but the rest is with the private sector. If businesses truly want change, they need to step up and adopt policies—starting with something simple, like a one-liner. The New Companies Act even requires listed companies to have anti-corruption policies. It's essential that companies ensure staff are trained and policies are in place before demanding accountability from the government. Waiting for government regulation alone is just an excuse.

Conclusion:

There is consensus on several key points. Firstly, both the private sector and government share responsibility for addressing the issue at hand, with the private sector being equally culpable. Secondly, it's clear that Sri Lanka is over-regulated, and reducing bureaucratic processes is essential. We need to establish a structured system, like those in other countries, to systematically cut down red tape. Thirdly, automation and technology are seen as vital tools in combating corruption and enhancing government efficiency. Lastly, it's crucial that agencies implement KPIs and timelines that are publicly accessible, ensuring accountability to the people. These steps are fundamental to driving meaningful change.

CASA & SRI LANKA CUSTOMS:

A JOURNEY OF CONTINUOUS COLLABORATION AND PROGRESS

The Ceylon Association of Shipping Agents (CASA) has maintained a longstanding and continuous dialogue with Sri Lanka Customs, engaging on a variety of operational, strategic, and policy matters critical to the shipping and logistics industry.

While day-to-day operational issues are often addressed directly between Customs and CASA members, , unresolved matters are escalated to CASA for further discussion. During quarterly meetings between CASA's Executive Committee and Sri Lanka Customs, strategic and policy-driven issues are prioritised, ensuring the focus remains on broader, long-term improvements rather than day-to-day operational concerns.

Although some matters have taken considerable time to resolve, tangible progress has been made, particularly in areas such as automation, digitalisation, and process improvements. These efforts have been instrumental in supporting the logistics sector and aiming to enhance Sri Lanka's standing in global indices like the Logistics Performance Index (LPI), where there is a clear ambition to significantly improve current rankings.

It is noteworthy to mention the structured approach adopted in recent discussions. Previously, meetings often covered 20–30 agenda items, making outcomes difficult to measure. Over the past year, however, both parties agreed to limit discussions to around 10 key issues per meeting, enabling more focused, result-oriented discussions with measurable outcomes.

Major Progress Areas

Among the key strategic initiatives, several developments deserve recognition:

1. Digitalisation Initiatives and ASYHub Implementation

The ASYHub platform, funded through grants from the World Customs Organization and the World Trade Organization, is set to go live in May 2025. CASA has played a pivotal role in supporting and advocating for this initiative, conducting testing and training among members. Once operational, the platform will allow seamless transmission and update of critical consignment data up to vessel's arrival, significantly reducing administrative costs and enhancing the efficiency of commercial transactions. The industry stands to benefit substantially from reduced reliance on manual interventions and penalties for data amendments.

2. Review and Streamlining of Penalty Charges

CASA has actively engaged with Customs to promote a transparent and fair penalty system. The objective is to distinguish between genuine errors, such as minor clerical mistakes, and intentional infractions that impact revenue. A structured, transparent framework for penalties will prevent arbitrary charges and further facilitate trade.

3. Establishment of Priority SOPs

In an effort to create greater transparency, CASA has submitted draft SOPs to Customs, covering key activities with the intention of jointly finalising comprehensive, mutually agreed procedures. This medium-term initiative aims to enhance predictability, reduce ambiguities and disputes, and support seamless business operations.

Immediate Operational Improvements

In addition to strategic initiatives, several operational improvements have already been successfully implemented:

- **Electronic Submission of Manifests for Car Carriers (RO-RO vessels)**

Sri Lanka Customs has discontinued the requirement for hard copies of inbound and transhipment manifests for car carriers. Manifests are now accepted via scanned email submissions, significantly improving efficiency.

- **Automation of Customs Charges:**

The previous manual process for vessel charges, which involved multiple physical visits and document submissions, has now been streamlined into an online system. This shift has improved transparency, reduced administrative burdens, and saved valuable time and resources for shipping agents.

- **Electronic Granting of Vessel Sufferance:**

The approval process for vessel berthing, historically reliant on physical paperwork, has now moved to an email-based system. This change, facilitated through collaborative discussions and referencing the Electronic Transactions Act, reflects a major modernisation of Customs procedures and a positive shift toward paperless operations.

Acknowledging Progress

While some long-standing issues, such as the management of detained containers, remain under discussion, it is important to acknowledge and appreciate the progress made. The continuous collaboration between CASA and Sri Lanka Customs has already resulted in notable improvements that directly enhance trade facilitation, operational efficiency, and the competitiveness of Sri Lanka's logistics sector.

CASA remains committed to working closely with Customs to drive further reforms, with the ultimate aim of achieving a faster, more transparent, and digitally-enabled customs environment for all stakeholders.

FROM COLOMBO TO DUBLIN:
A SRI LANKAN TRAILBLAZER'S RISE AT GOOGLE

By Rochelle Palipane Gunaratne

When an email from Google landed in her inbox at 2 a.m., Sri Lankan native Melisa Fernando assumed it was spam. Today, she's a valued member of the App Dev team at Google's bustling European headquarters in Dublin – the only Sri Lankan among 10,000 employees.

Her journey from Colombo to the heart of tech is a testament to the power of curiosity, courage, and an unshakeable belief in one's potential.

A DIGITAL DOORBELL IN THE NIGHT

In February 2022, Melisa received that puzzling email. The following morning, still half-expecting a prank, she replied, "Sure, I'm interested." Within hours, she faced her first Google call — fully alert to the opportunity awaiting her.

Over four intense rounds, including technical and behavioral interviews, she experienced first-hand Google's rigorous hiring ethos. It wasn't just about coding ability — it was about structured problem-solving and mental agility that shapes the tech giant's global workforce.

LANDING IN "SILICON DOCKS"

On November 7, 2022, Melisa relocated to Dublin — home to Google's EMEA HQ. The campus sprawls across the iconic "Silicon Docks" on Grand Canal Quay, encompassing multiple buildings – Google Docks, Gasworks House, Gordon House, the complex hosts wellness centres, floating micro-kitchens, a rooftop pool, and studios — all echoing the company's innovative ethos .

Today, the site houses about 10,000 employees inclusive of permanent staff and those on contract basis. firmly embedding Google into Ireland's tech landscape

INNOVATING AT THE INTERSECTION OF CULTURE AND CODE

Melisa specializes in mobile app development, balancing innovation with user experience across both Google Play and the iOS App Store. Her team of nine represents a mosaic of cultures — Sri Lankan, Irish, Egyptian, Nigerian, Portuguese, Moldovan, Colombian, Turkish, and Hungarian — each voice shaping outcomes in unexpected yet powerful ways.

This melting pot isn't accidental: Dublin's appeal as Europe's tech capital stems from its low corporate tax (12.5%), an English-speaking workforce, and a robust tech infrastructure

Google's presence has enriched the local ecosystem, contributing to nearly 3.6 million square feet of global-tech workspace still on the rise

A CULTURE THAT CARES

Google's employee-first philosophy shines in small gestures and sweeping policies alike. Flexible schedules, two days of remote work per week, and mental health leave foster trust and autonomy. The famed "20% time" policy allows employees to devote a fifth of their hours to passion projects — the birthplace of now-iconic innovations like Gmail and Google Maps.

For Melisa, this meant forging links between her professional role and her personal passion — her gymwear brand, EMPOWHER. Rooted in her own recovery from a near-fatal tuk-tuk accident in Ella (November 2021), EMPOWHER represents resilience: "When you feel broken, you can rebuild." She juggles product design and strategy outside work hours, supported by a global community of women embracing her message of strength.

ROOTS, RESILIENCE, ROLE MODEL

Being the only Sri Lankan at Google Ireland isn't merely a badge — it's a mission. Melisa reflects a generation of Sri Lankan women stepping onto global platforms, showcasing what's possible with faith and boldness. Her core message to young women in Sri Lanka resonates: "Don't wait for life to be perfect. Start now. Your comeback defines you."

A BLUEPRINT FOR GLOBAL SUCCESS

Embrace Curiosity. Never hesitate to respond when opportunity knocks — even at 2 a.m.

Cultivate Grit. Whether battling a multinational interview process or recovering from trauma, resilience is key.

Invest in Growth. Google's culture thrives on trust, autonomy, and the freedom to innovate.

Cultivate Community. Diversity isn't just tolerated; it's celebrated — enriching ideas and broadening perspectives.

Give Back. From Sri Lanka to Silicon Docks, success becomes truly meaningful when used to uplift others.

Melisa Fernando's story transcends individual achievement. It's a beacon — illuminating how culture, tenacity, and innovation intersect across continents. As Sri Lanka's presence expands in global tech, her trailblazing journey offers a roadmap for others to follow.

YOUNGSHIP SRI LANKA'S

"RUN FOR HER"

CHAMPIONS WOMEN'S EMPOWERMENT AND ECONOMIC ADVANCEMENT

Despite a torrential downpour, participants and supporters converged at Independence Square on the 18th of May for YoungShip Sri Lanka's "Run for HER" – an event that transcended a mere race to become a powerful declaration of **purpose, commitment, and tangible action** towards women's empowerment and economic advancement in Sri Lanka's rural communities.

Organised by YoungShip Sri Lanka, the local chapter of YoungShip International, this initiative powerfully showcased the organisation's core dedication to youth engagement within the maritime and logistics industries. It underscored a strong emphasis on sustainability, and vital community outreach.

EMPOWERING HER: MORE THAN JUST A RACE

"Run for HER" was conceived with a bold vision: to uplift women, especially emerging female entrepreneurs, by actively supporting their journeys and dismantling long-standing stigmas and inequalities hindering their progress. The event aimed to amplify voices, accelerate careers, and create genuine impact. All proceeds from the day are dedicated to **championing women's economic growth in underserved rural areas across Sri Lanka.**

The timing of "Run for HER" held profound significance, symbolically aligning with the International Day for Women in Maritime, observed globally on the 18th of May. This alignment served as a powerful tribute to the indispensable contributions of women across the maritime sector, from the helm of ships as captains and engineers to the intricate operations of port facilities and the crucial sphere of policy-making. With this year's IMO theme, "Oceans of Opportunity," the event served as a timely and meaningful celebration of these vital roles.

A SPIRITED CELEBRATION UNDETERRED BY RAIN

Designed by G360, the event was brought to life through the unwavering dedication of volunteers, enthusiastic supporters, and passionate participants. The day's activities commenced with a dynamic Duathlon, featuring both solo and three-person team categories. This was followed by an inclusive 5km Run/ Walk/Stroll, and the day concluded with a spirited 1km Kids' Race, much to the delight of the younger attendees. The persistent rain, far from dampening spirits, unexpectedly enhanced the event's memorable quality, serving as a testament to the fact that when communities unite for a common cause, not even adverse weather can stand in their way.

A spokesperson from YoungShip Sri Lanka encapsulated the prevailing sentiment: "Hats off to everyone who showed up despite the rain. It was a true testament to the power of sport in uniting communities and driving social change. We are proud to stand with women, to champion their success, and to inspire a new generation to break barriers."

The event would not have been possible without the generous support of Event Partner: Ceyline Holdings; Silver Sponsor: MendisOne; Bronze Sponsors: McLarens Group of Companies, Hayleys Advantis Limited, MAS Femography, and Meridian Maritime Services Limited; Support Association: Ceylon Association of Shipping Agents (CASA); and all other sponsors who contributed towards a successful and meaningful event.

About YoungShip Sri Lanka

YoungShip Sri Lanka is a non-profit association and one of 40 global chapters operating under the umbrella of YoungShip International. As a representative body for the youth within the maritime and logistics sector, the organization is deeply committed to fostering knowledge-sharing, promoting sustainability, driving operational excellence, and actively creating robust platforms for the next generation of industry professionals.