

For Sri Lanka, mega shipping hub status long way off

Colombo Port has been a major trans-shipment hub in the Indian Ocean region for a long time. But the 'mega shipping hub' status that Sri Lanka is seeking is still a long way off, shipping experts say.

Former ports minister Dilan Perera said Sri Lanka had the 'advantage of location' to be a 'mega hub' of the South Asian region. 'There is a yawning gap in South Asia which Sri Lanka is well qualified to fill,' he said.

'All the major shipping routes are in the south of Sri Lanka, and Colombo and the proposed port in Hambantota are ideally located to take advantage of this traffic,' Perera told IANS.

'True, India is also building and modernising ports in its southern tip. But these cannot match the advantage the ports in Sri Lanka have in terms of location,' he contended.

But Perera's optimism is contested by Sri Lankan shipping experts who maintain that advantage in terms of location, without an appropriate infrastructure and economic hinterland to back it up, will be of no use.

The talk of getting a mega status for Colombo port based only on location was 'wishful thinking', said Sri Lanka Ports Authority (SLPA) chairman Saliya Wickramasuriya in a speech last month.

He pointed out that Sri Lanka was ranked 92 out of 150 countries in the World Bank's Logistics Performance Index (LPI) for 2007. Sri Lanka was behind even India, which stood at 39. Malaysia was 27th and Indonesia was ranked 43.

Sri Lanka had notched up a low score of 2.40 out of five, which was below India, Pakistan and Bangladesh. Even Uganda scored 2.49, and was ahead of Sri Lanka, Lanka Business Online (LBO) said in a report last month.

The Logistics Performance Index is based on a survey among ground operators world-wide, such as freight forwarders and express carriers. The questions asked are objective as well as subjective.

If Sri Lankan ports were to improve - at present Sri Lanka has only one really international port at Colombo - logistics and supply chain managements would have to improve, Wickramasuriya said.

A core group, comprising all stakeholders, had been formed to look at the issues 'impartially', he said. And the need of the hour was government-private partnership, he added.

'India is forging ahead in public-private partnership in ports development and Sri Lanka should emulate it, because there is no other way,' Perera said.

'The South Asia Gateway Terminal (SAGT) in Colombo Port is a good example of public-private partnership and this should be extended to the Hambantota port in the deep south of the island also,' he urged.

The Hambantota port, which is being built with Chinese help, is expected to complete the basic works in three years.

Perera commended India for placing its ports in the hands of 'trusts' and said it was time Sri Lanka did the same to lessen government and political control.

Deficiencies notwithstanding, Colombo Port is on the upswing, according to Wickramasuriya. It registered a three percent increase in conventional cargo and 10 percent in containerized cargo between 2006 and 2007.

New facilities, including four new vessel berths and more efficient handling systems, were added in the Colombo north port.

According Capt. Nihal Kepettipola, additional managing director of SLPA, the port has been growing at 15 percent per annum and is now ranked 29th in the world.

Sri Lankan shippers also question the World Bank's 2007 rating of Colombo Port. The Daily Mirror Financial Times recently quoted Rohan Masakorala, former chairman of the Sri Lanka Shippers' Council, as saying that the bank had not consulted the council and the freight forwarding agents' association before giving the poor rating.

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