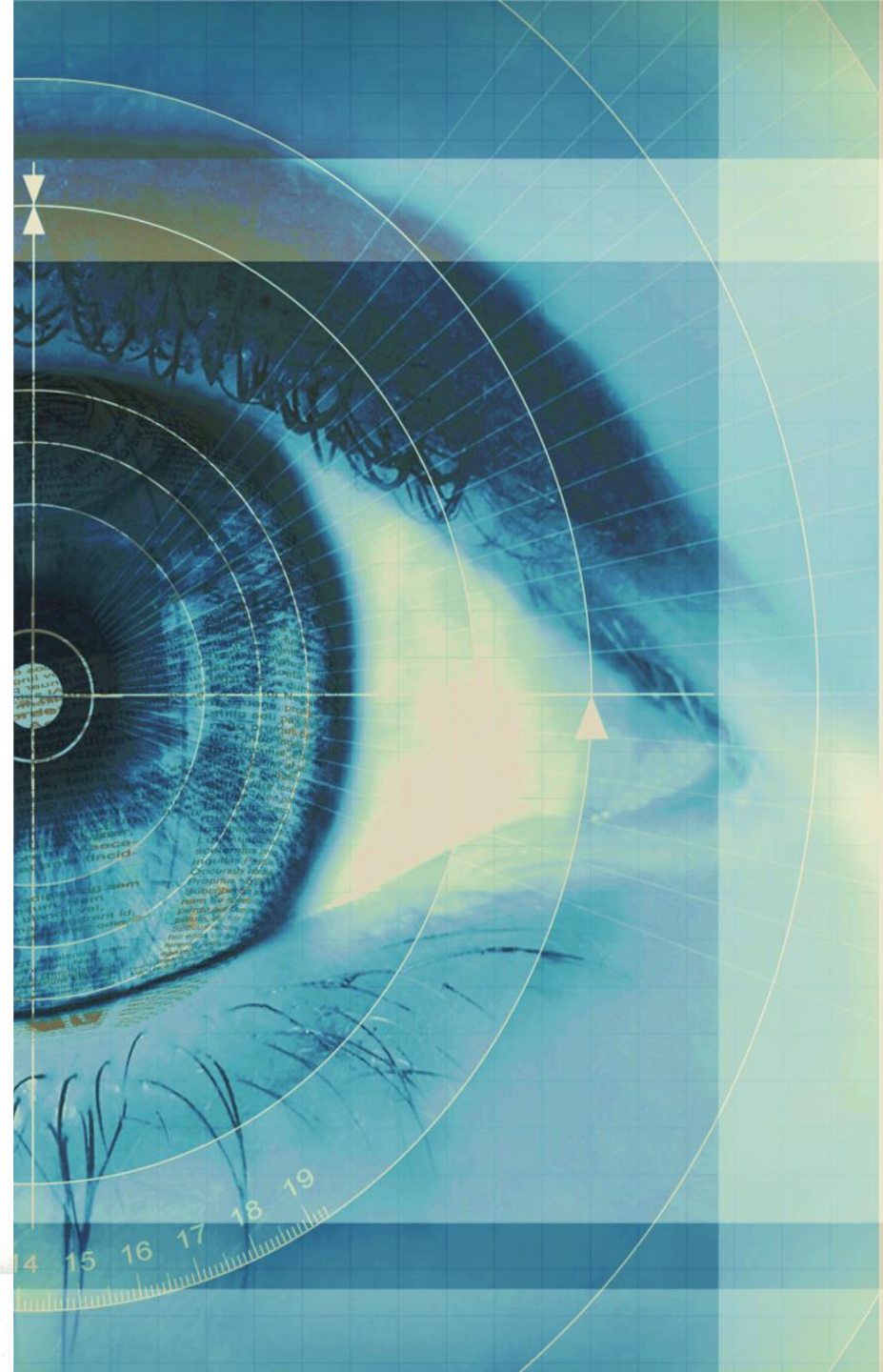


# VISION 2020

Logistics Excellence in the Silk Route



*Presented By*  
**Dr. Priyath B. Wickrama**  
Chairman  
Sri Lanka Ports Authority



# » Sequence



**Aspirations**



**Strategies  
Fostering  
Aspirations**



**Functions  
Endorsing  
Strategies**







# » Aspirations

By 2020

1. Centre of the Maritime Excellence

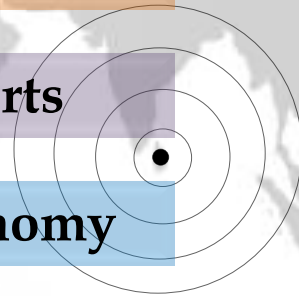
2. 200 Million Tonnage in Cargo Handling

3. US\$ One Billion in Revenue

4. US\$ 10 Billion Investments within the Ports

5. Leading Contributor to the National Economy

6. Green Port Operator





# » Strategies Fostering the Aspirations

**1. Development of Infrastructure Facilities**

**2. Consolidate the Position of Port of Colombo in the Centre of Maritime Excellence**

**3. Introduction of Sector Specific Marketing & Business Development Programme**

**4. Develop Mahinda Rajapaksa Port as an International Service, Industrial & Container Handling Port**

**5. Enhance Safety & Security of Cargo & Port Users**

**6. Mark Global Presence in the Strategic Location**

**7. Restructuring of Administrative Methodologies**







# » Strategies Fostering the Aspirations

8. Implementation of Proper Financial Management System

9. Reduce Carbon Footprint

10. Develop Other Regional Ports as per Their Individual Strengths and Competitive Advantages

11. Diversification of Business Activities

12. Provision of Facilities for Oil & Gas

13. Efficient Vessel Oriented Services

14. Corporate Social Responsibility (CSR)





# » Functions Endorsing the Strategies

## 1. Development of Infrastructure Facilities

I. Operation of East Container Terminal

II. Intermodal Transport Network

III. Widening Port Internal Roads

IV. Construction of "Cargo Village"

V. Construction of Head Office Building

VI. Extension of the Passenger Jetty

VII. Tendering of West Terminal



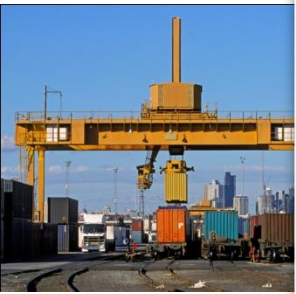
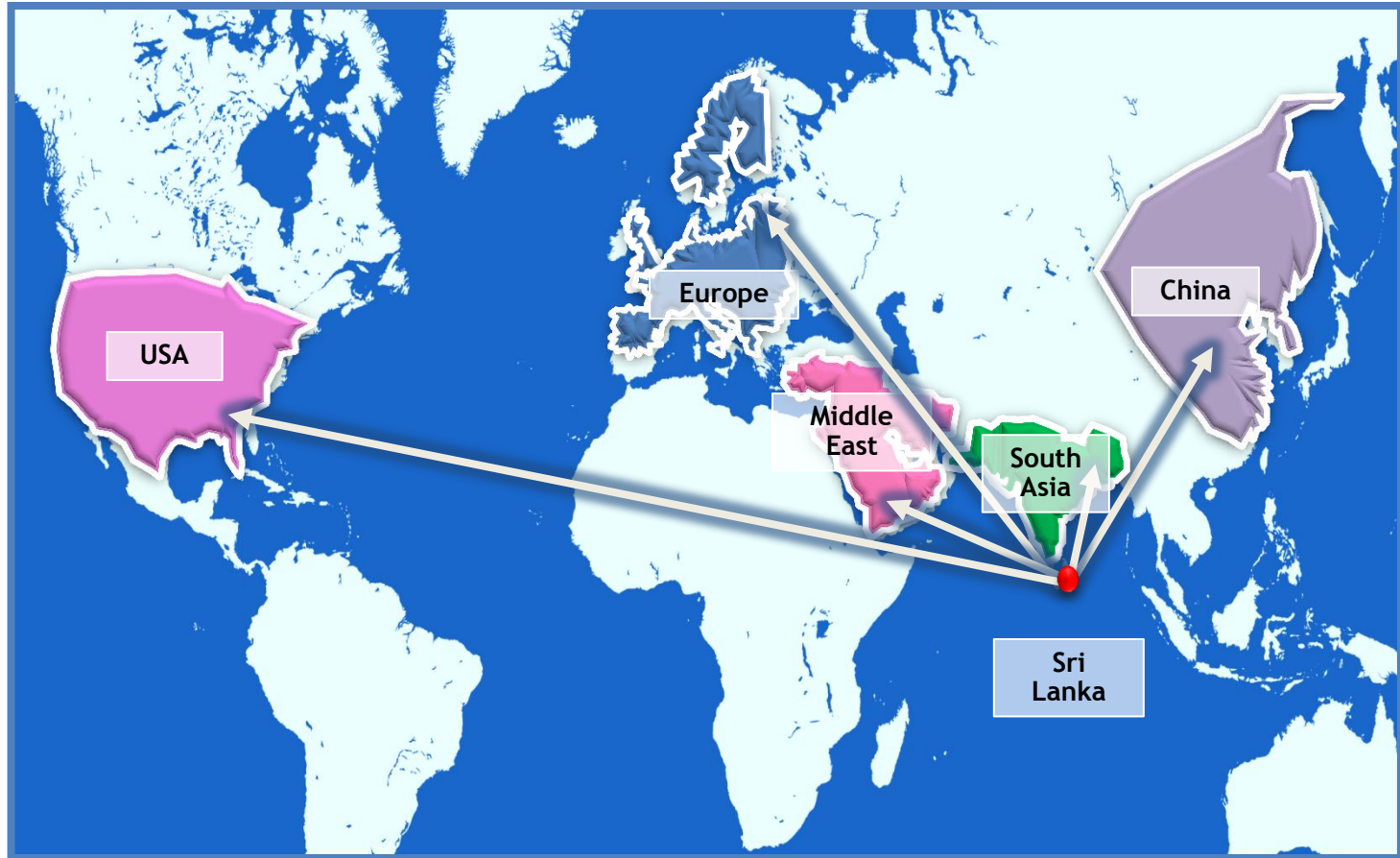




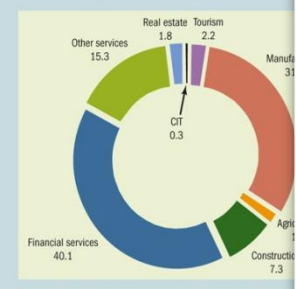
# Marketing Strategy Defined...

Strategy Defined Based on the Potential Markets with Investor Attraction;

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(non-oil sector foreign direct investment in Egypt, 2007-08, percent of GDP)



Source: Balance of Payments Statistics, the Central Bank of Egypt Quarterly Report (FY 2007-08).

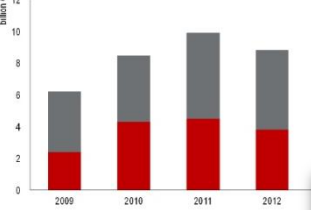
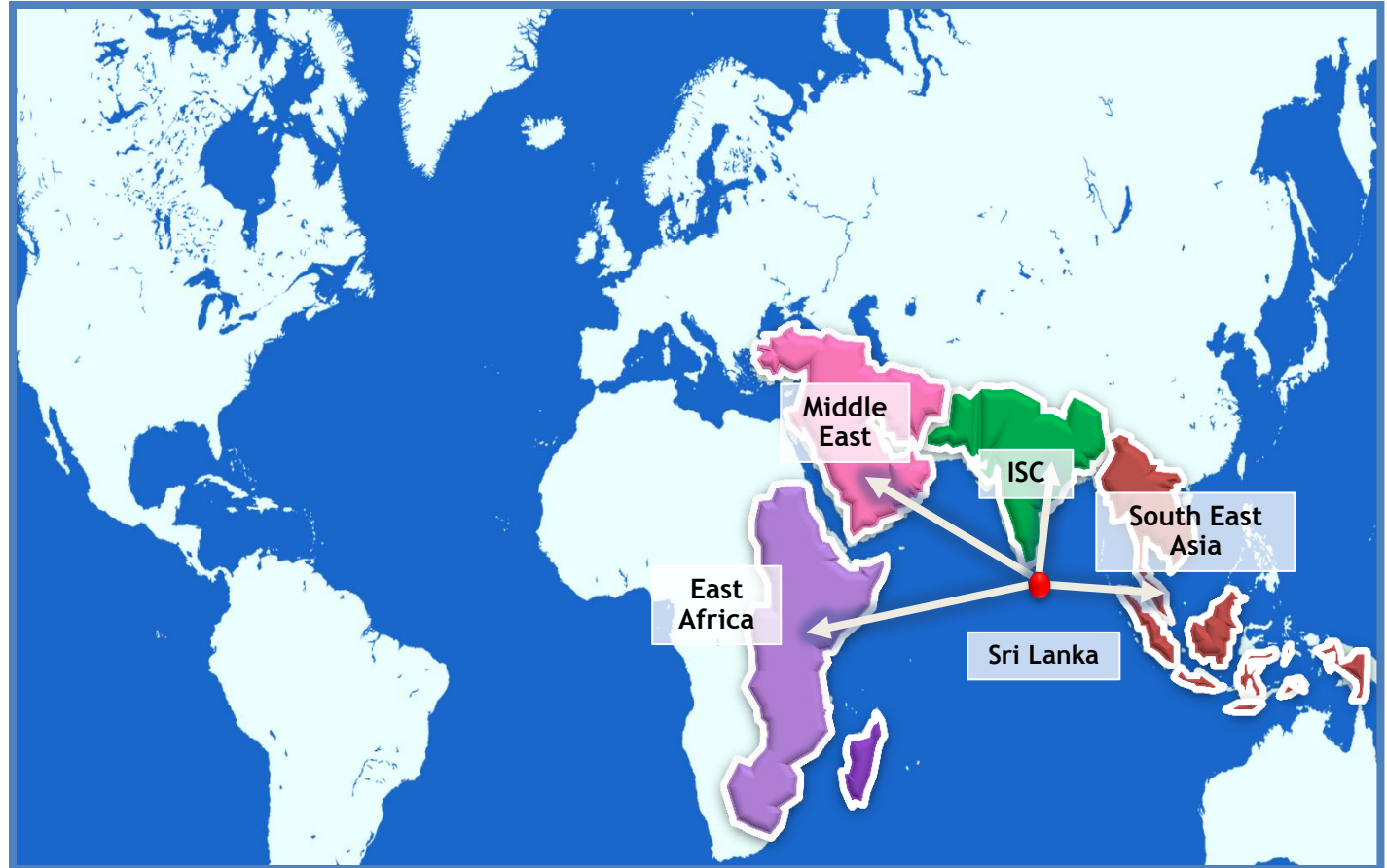




# Marketing Strategy Defined...

Strategy Defined Based on the Potential High Volume of Cargo Generation towards SL;

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# 4. Develop Mahinda Rajapaksa Port as an International Service, Industrial & Container Handling Port

Establishment of "Free Zone"

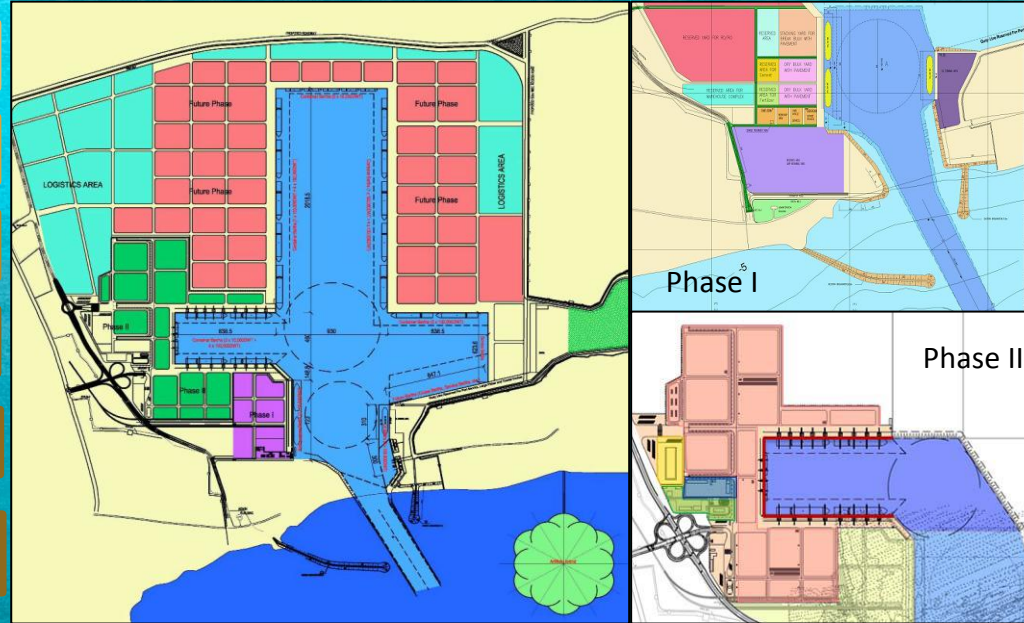
Development of Bunkering operation & expansion

Constructing Phase II with a Container Terminal

Dockyard & Service providing center for ships

Planning & Construction of internal Port roads

Construction of LNG Terminal.







# Declaration of Free Ports in Sri Lanka



Colombo Port



Hambantota Port

Under the Finance Act - Commercial Hub Regulation No 1 of 2013, the two major ports in Sri Lanka Colombo & Hambantota are declared as “Free Ports”. Both Ports under this Free Port Concept will Contribute to the National Economy in a Mammoth way in the coming years.





# Definitions referred in Finance Act 12 of 2012

Free Port	Bonded Area	Entrepot Trade
<p>Means an area within a sea port or an inland dry port under the supervision of Sri Lanka Ports Authority (SLPA) and declared by the regulations under this Act.</p>	<p>Means an area supervised by the Board of Investment (BOI) or Director General of Customs or any other authority and declared by the regulations under this Act.</p>	<p>Manufacturing activity approved under Part IV of Finance Act No 12 of 2012 as amended and carried out by a new enterprise for re-export with a 10% Domestic Value Addition within a Free Port or designated bonded area or in a specified bonded area if the enterprise is engaged in manufacturing or assembling products with approval.</p>



# Permitted Five Activities at Hambantota & Colombo Free Ports



**A) Entrepot Trade**  
involving an import,  
minor processing,  
manufacturing,  
assembling and re-export



**B) Off-shore Business**  
goods can be procured  
from one country or  
manufactured in one  
country & shipped to  
another country without  
bringing into SL



**C) Front-End –  
Services**  
providing foreign client  
solution interface



**D) Operations of the  
Headquarters**  
of leading buyers for the  
management of the  
finance supply chain and  
billing operations



**E) Logistic Services**  
such as a bonded  
warehouse or in the case  
of operation of multi-  
country consolidation in  
Sri Lanka



***Activities (A) and (E) required to be operated within a free port or bonded area. However an enterprise engaged in entrepot trade in manufacturing or assembling require to locate in a free port or specified bonded area.***





# Fiscal & Regulatory Benefits Operating in the Free Port

Any new enterprise established or incorporated in Sri Lanka, in any of the aforementioned five business activities with at least 65% of the total investment has been from foreign sources are subject to exemptions from the application of provisions of the-

**Customs Ordinance**

**Exchange Control Act**

**Imports & Exports  
(Control) Act**

**Inland Revenue Act**





# Business Activities Permitted at Free Ports with Minimum Investment

<b>Business Activity New Enterprise</b>	<b>Minimum Investment in fixed assets (65% through foreign sourced)</b>	<b>Annual Re-export/ Turnover to be achieved in 5yrs</b>
(a) Entrepot trade involving an import, minor processing, re-export or Entrepot trade shall engaged in manufacturing or assembling a products with approval	US \$ 5 Million	Not less than US \$ 20 Million
(b) Off-shore business where goods can be procured from one country or manufactured in one country and shipped to another country without bringing the same into Sri Lanka	US \$ 1 Million	Not less than US \$ 10 Million
(c) Providing front end services to clients abroad	US \$ 1 Million	Not less than US \$ 10 Million
(d) Operations of the Headquarters of leading buyers for the management of the finance supply chain and billing operations	US \$ 1 Million	Not less than US \$ 10 Million
(e) Logistic services such as a bonded warehouse or in the case of operation of multi-country consolidation in Sri Lanka	US \$ 3 Million	Not less than US \$ 15 Million





# Manufacturing under Entrepot Trade & Permission for Domestic Sales

Considering the importance of availing a product in domestic market **in the interest of national economy**, an enterprise engaged in entrepot trade in **manufacturing a product** shall be permitted local sales up to a certain percentage payable in SL Rupees by the BOI with prior concurrence of Ministry of Finance for such products, subject to provisions of Customs Ordinance .

The turnover of such domestic sales shall be treated as turnover from deemed exports.





# Hambantota Port Development



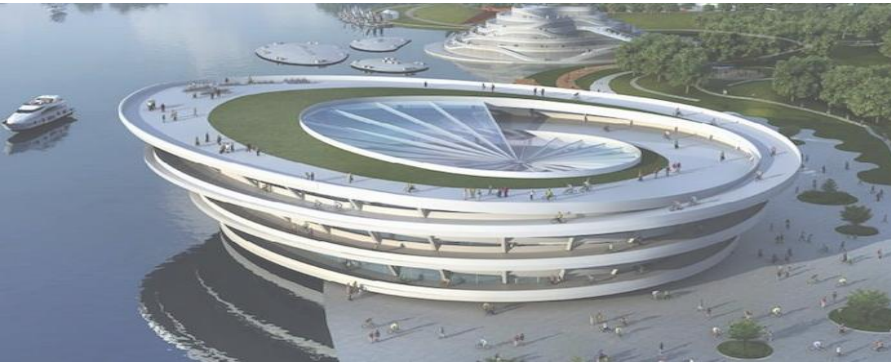


# 11. Diversification of Business Activities





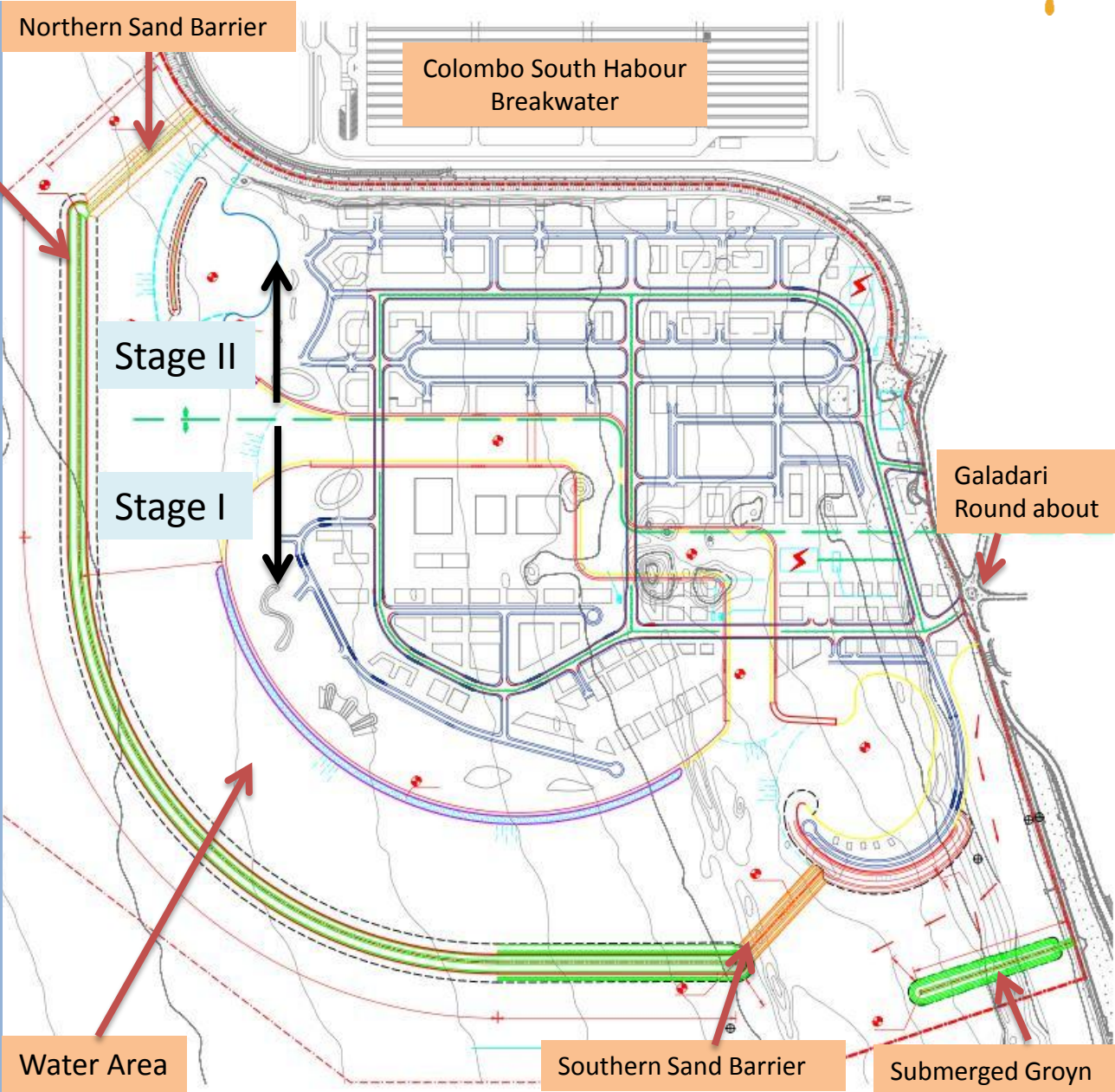
# Colombo Port City





# Colombo Port City Layout & Specifications

- Offshore Breakwater**  
Overtopping allowed  
3300 m length  
*17T Chinese podes*  
*2 to 3 T Rock layers*  
*Upton 0.5 T Quarry Run*  
*Rubble stone and Sand fill core*
- Sand Reclamation 233 ha**  
necessary ground improvements up to +3.5m (LWOST)
- Edge Revetments/Seawalls**  
top elevation +4.5m (LWOST)
- Marina Basins**
- Internal Roads and Bridges**  
design life for bridges 100 years





# Investment Opportunities in Port City Development



## PHASE I

**Reclamation of 230 Hectares of Water Front at a Cost of US\$900 Millions**

**Construction of Breakwater**

**Infrastructure Development (Roads, Water, Electricity, Communication Facilities)**



## PHASE II

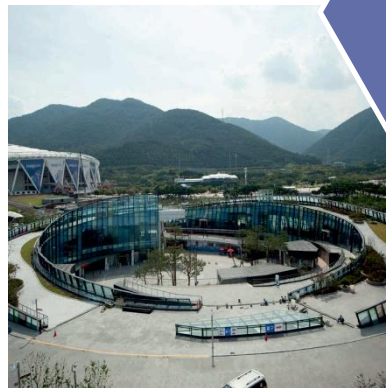
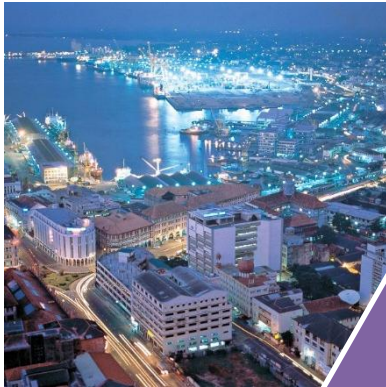
*Investment Opportunities*

**Construction of Income Generating Components and Facilitating Operation of Port City**

**Construction of Hotels, High Rise Buildings, Recreational Facilities, Shopping Complexes, Mini Golf Course, Yacht Marina, Office Buildings, Business Centres**









# 11. Diversification of Business Activities



Lotus Island Hambantota





**Envisioning the future of Sri Lankan ports, with  
infrastructure development and timely strategies,  
Sri Lanka Ports Authority is sailing towards  
VISION 2020**