National Strategic Development Plan to Enhance Transport and Logistics Connectivity

Prof.(Dr) Lalith Edirisinghe

Regional Policy Dialogue
"Transforming the Logistics Sector“
2022.07.15
AGENDA

1. Understand key words
2. Principles of National Strategic Development Plan (NSDP)
3. Application of NSDP to Transport & Logistics Connectivity (TLC)
4. Summary
TRANSPORTATION

"The action of moving someone or something or the process of being moved using power, labor, infrastructure, and mode."

LOGISTICS

“Logistics is the strategic coordination of activities of transportation and warehousing that fuel the production and trading of goods and services.”

“Connectivity is the result of being connected or interconnected virtually or physically, ensuring the flow of goods and people through nodes.”

NSDP is a framework to coordinate the articulated development goals and objectives at the national level.
1. NEEDS AND PRIORITIES AS PER ISSUES IDENTIFIED BY THE WORLD BANK

- Trade infrastructure investments, especially along major routes
- Logistics and transport services
- Regional trade facilitation and trade corridors
- Transit and multimodal transport
- Customs and border management
- Port efficiency
## Logistics Performance in Sri Lanka

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Rank (out of 155 countries)</th>
<th>Rank (out of 160 countries)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010</td>
<td>2012</td>
</tr>
<tr>
<td>Logistics Performance Indicator</td>
<td>137</td>
<td>81</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>138</td>
<td>89</td>
</tr>
<tr>
<td>Logistics Quality and Competence</td>
<td>142</td>
<td>68</td>
</tr>
<tr>
<td>Customs</td>
<td>143</td>
<td>71</td>
</tr>
<tr>
<td>International Shipments</td>
<td>117</td>
<td>50</td>
</tr>
<tr>
<td>Tracking and Tracing</td>
<td>142</td>
<td>86</td>
</tr>
<tr>
<td>Timeliness</td>
<td>125</td>
<td>110</td>
</tr>
</tbody>
</table>

Sri Lanka was not considered for LPI Ranking due to insufficient feedback by respondent as claimed by the World Bank.
2. POLICIES, PLANS, AND MECHANISMS


- Ministry of Development Strategies and International Trade
- Sri Lanka Export Development Board
FOCUSING ON THE MOST PRESSING ISSUES

Policy constraints
- Inadequate policies and outdated regulations
- Absence of proper guidelines

Institutional constraints
- Weak coordination
- Insufficient dialogue
- Underused rail networks
- Lack of centralized data on transport, logistics and shipping
- Limited marketing and promotion

Enterprise constraints
- Limited capacities of seaport terminals and airports
- Absence of a cold chain management system
- Limited FDI in the logistics sector

(Logistics Strategy - Sri Lanka)
3. DEVELOPMENT OUTCOMES AND OBJECTIVES

- Logistics management is to execute proper planning on transportation modes and inventory available to satisfy the customers.

- A strategic logistics plan typically covers five or more years.

Logistics Strategy of Sri Lanka

Strategic objective 1:
To create an enabling and efficient business environment driven by technology and public-private coordination

Strategic objective 2:
To ensure adequate facilities and availability of a qualified labour force

Strategic objective 3:
To promote the image of Sri Lanka as a logistics hub worldwide
4. PROCESSES AND TIMELINES

- providing efficient logistics services through operational procedures and guidelines
- Creating conditions (land, logistics zones) for the private sector and attracting skilled labour
- Increasing market outreach and building the country's image

*(Logistics Strategy - Sri Lanka)*

5. KEY STAKEHOLDERS MAKING TRANSPORTATION AND LOGISTICS DECISIONS

1. Shipper
2. Consignee
3. Carriers
4. Logistics/warehouse service providers and agents
5. The government
6. Consumer

Enhance Coordination and integration
6. THREATS AND OPPORTUNITIES

1. Mature markets
2. Economy downturn
3. Competition
4. Volatile operational costs
5. Unfavorable government policies
6. Seasonal fluctuations
7. Indispensable Business Process Improvements
8. Lack of Supply chain visibility and finance
10. Environmental Issues and natural disasters
11. Ad-hoc custom duties
12. Exchange rate fluctuations,

1. Expanding online market
2. New services
3. New technology
4. New markets
STRENGTHS

- Strong development potential
- Strategic geographic location
- Sea Port access
- Hinterland area

WEAKNESSES

- Poor natural condition
- Logistics development lag
- Imperfect supporting facilities
# SWOT for Sri Lanka

## Strengths
- Located on busy East-West maritime trade links
- Trans-shipment hub for India
- Modern port facilities to handle large container vessels (>9,000 TEUs)
- Availability of land

## Weaknesses
- Port capacity limited by facilities and equipment
- The airport, Jaya Container Terminal and South Asia Gateway Terminal are operating at maximum capacity
- Outdated road and rail infrastructure
- Non-transparent Customs and tax regulations

## Opportunities
- E-commerce hub for South Asia
- Ability to offer higher value chain activities in global trade
- Growth in vessel size and consolidation of shipping lines
- Belt and Road initiatives, able to act as hub for South Asia for trade to Africa, the Middle East, Europe and Asia
- Indian growth

## Threats
- India is revamping its port operations and the Indian Government has worked to reduce the reliance of Indian shippers on Colombo
- Unstable utility supply
- Malaysia and Singapore are improving their port infrastructure and services
8. CAPACITY BUILDING

- Formal education
- On-the-job training
DEMAND GROWTH FOR LT/SCM DEGREE - Sri Lanka

- International LT Degree
- Local LT Degree
- School Curriculum
- Supply Chain Management
- Strategic Plan

Textbook in Local Language - 2021
National Logistics Day - 2021
Supply Network Management - 2024
Launching the Logistics Textbook by Author Professor Lalith Edirisinghe and Publisher CINEC Campus President Capt. Ajith Peiris
9. STRATEGIC FRAMEWORK

Develop detailed planning and budgeting that takes place at regular intervals and mainstreaming
## National Strategic Development Plan to Enhance Transport and Logistics Connectivity

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<th>Understand key words</th>
<th>Transport; Logistics; Connectivity; National Development Plan</th>
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<tbody>
<tr>
<td>Principles of National Strategic Development Plan (NSDP)</td>
<td>Needs &amp; Priorities; Existing Policies &amp; Plans; Objectives &amp; Outcomes; Processes &amp; Timelines; Institutions &amp; People; Threats &amp; Opportunities; weaknesses &amp; Strengths; Capacity Building; Strategic Development Framework</td>
</tr>
<tr>
<td>Application of NSDP to Transport &amp; Logistics Connectivity (TLC)</td>
<td>Mainstreaming and the infusion of TLC agenda at all levels of the governing structure at national level coupled with Sri Lankan experience</td>
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Thank you

Please visit my website for details.

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