



Sri Lanka Logistics and Freight Forwarders Association (SLFFA)

ANNUAL REPORT 2021/22



Contents

Vision, Mission & Strategic Goals	2
Introduction to the Report	3
Chairman's Message	4
Vice Chairman's Message	6
Secretary's Report	7
SLFFA Secretariat	10
Board of Directors	12
Sub Committee Reports	14
Air Freight and Air Cargo Village	14
Ocean Freight, Port, Customs and BOI	16
SLFFA Training and AITT	20
New Membership Promotion and Evaluation	22
Legal & Insurance Assistance (Freight Forwarders' Liability Insurance)	23
Publicity, Social Affairs, Website, CSR & Digital Media	25
Other Key Events	26
Global Logistics Report	31
SLFFA Cargo Services Limited	34
Member Directory	36
Independent Auditor's Report	42
Statement of Comprehensive Income	44
Statement of Financial Position	45
Statement of Changes in Fund	46
Statement of Cash Flows	47
Notes to the Financial Statements	48



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Vision, Mission & Strategic Goals

Vision

To be the leading force in the advancement of Freight and Logistic Services in Sri Lanka.

Mission

To promote professionalism and excellence and strengthen the freight forwarding and logistics Industry, SLFFA to serve and lead its diverse membership through advocacy, innovation, and information sharing.

Strategic Goals

Economic Vitality: Expand the industry such that members can strengthen the economy and the business Communities they serve.

Advocacy: Influence and educate decision makers of government and other organisations to assist and shape policies that are favourable for the industry.

Image: Improve the overall image and perception about the industry.

People and Organisations: Build capacity through training and development to create more effective organisations in the industry.

Association Development: Strengthen SLFFA such that members are served better.

Introduction to the Report

During a year which presented extraordinary challenges to the global Logistics industry, the Sri Lanka Logistics & Freight Forwarders Association celebrated 41 years of service to the local industry, whilst marking many significant milestones. This Annual Report is a testament to the resilience, determination and commitment of SLFFA and its members that constantly and continuously adapted, innovated and evolved to ensure that, we remain 'Strong and Steady' as an Association, Industry and a Nation.



Chairman's Message

4



Mr. Dinesh Sri Chandrasekera
Chairman, SLFFA

This year has been a tumultuous one for the industry. The COVID-19 pandemic that gripped the world is still very much in force, and although vaccinations are progressing at an impressive rate, new strains emerge, and outbreaks occur from time to time. Sri Lanka has faced such outbreaks sporadically, although these have been somewhat tempered in light of the country's most pressing issue, an economic crisis of unprecedented proportions never seen before throughout the country's 74 years of independence.

Before logistics was recognized as a formal function in Sri Lanka and the world, it still played a critical, albeit unrecognized role in facilitating trade in every country. Since 1981, SLFFA has been the voice of the logistics industry, introducing structure and organisation to a fragmented but well performing industry. Being in existence for 41 years and counting, SLFFA's achievements during that time are testament to the vision and unwavering commitment towards continuous upliftment and enhancement of an industry that can widely be considered to be one of the oldest in the world.

In Sri Lanka, the industry has weathered many significantly adverse external factors, including a 30-year Civil War, the 2004 Asian Tsunami, 2019 Easter Sunday terror attacks, and most recently, 2020's Covid-19 pandemic. As you may have read in my predecessor Roshan Silva's message in the last Annual Report, the Covid-19 pandemic tested the global and local logistics industry to the maximum. It demanded immense workloads under adverse conditions, and we must remember the spirit and devotion of logisticians all over who rose to the challenge, met

it, and conquered it, continuing on that track to this day and beyond.

However, since September 2021, the business environment as a whole has been unstable and unproductive due to a myriad of issues. Covid-19 was still in full force with waves of the new strains, and we had to conduct our 2021 AGM virtually, since physical meetups were not prudent. The inaugural National Logistics Awards, which I shall touch upon later, originally scheduled for the fourth quarter of 2021 was eventually held in first quarter of 2022 for the same reason.

By January 2022, the Covid-19 situation in Sri Lanka was improving, but it took a back seat as the country entered a crippling economic crisis. Being the backbone of trade into and out of Sri Lanka, our industry was hit hard, several times, and continues to be battered as time goes by. The floating of the Sri Lankan Rupee against the US Dollar caused it to freefall, which massively affected industry players through colossal exchange losses. A shortage of US Dollars in the market also caused issues with payments to foreign principals and agents, causing loss of business, and negative effects on long-term relationships, some which had been forged over decades. For the first time in history, carriers started billing in USD instead of LKR, creating further woes for an already beleaguered industry and banking system.

I would be remiss to not talk about the resultant fuel crisis which saw crippling shortages of petrol and diesel, bringing local logistics movements nearly to a standstill, as long queues for fuel saw unproductivity and time wastage soar to levels never seen before. Logistics runs on transportation after all, and transportation runs on internal combustion engines requiring petrol or diesel. From motorbike couriers to large trucks carrying tonnes of cargo, all were equally affected, with drivers sitting in their vehicles, idling for days on a hope and a prayer to receive some fuel. With the current fuel rationing system, we see some improvement in the mass reduction of queues and near elimination of the black market that had emerged during the times of shortage, but there is still a long way to go. Industry players have had to rethink their transportation strategies with a focus on efficient resource utilization, and minimising delays and disruptions.

Nevertheless, the industry, bolstered by SLFFA has managed to surmount these obstacles, formulate strategies to address them in the best way possible, and demonstrate supreme resilience in its utmost goal of continued service to the nation. As Chairman of the SLFFA, I consider myself lucky to be in the driving seat at this juncture. The best times for learning, improvement, and

5

actualization do not arrive during light seas, smooth roads, or calm air. Choppiness, bumpiness, and turbulence are what force humans to truly innovate, and that is what SLFFA, and the logistics industry are engaged in.

Such innovation and achievement deserve due recognition, and I must highlight two such initiatives. The first is the Sri Lankan Government's declaration in August 2021 that the 16th of August of every year be denoted as National Logistics Day, in recognition of the importance that the logistics industry plays in our country. Such a day has been long overdue, and with the championing of SLFFA, is finally a reality.

The second initiative is one that was conceptualized by my predecessor, Roshan Silva, and his team, and initially planned as a gala ceremony in the fourth quarter of 2021, but due to the Covid-19 situation, was finally held on the 23rd of March 2022. That is the National Logistics Awards, an award ceremony dedicated towards recognising and celebrating the achievements of the best logisticians and logistics firms in the country. The National Logistics Awards 2022 culminated in a prestigious event at the Shangri-La Hotel, Colombo, and received support and sponsorship from a myriad of industry players, as well as private and public sector entities, and regulatory bodies. SLFFA aim to hold the National Logistics Awards on a regular basis to continue recognition and celebration of the industry and its people.

On a more sombre note, there is another threat looming for the industry, in the form of the IATA CASS (Cargo Account Settlement System). Implementing such a system in a country facing a shortage of dollars is a sure way to kill not only the logistics industry, but the export industries reliant on us to transport their products to overseas markets. As the apex body of industry representation, SLFFA is extremely concerned, and engaging with all stakeholders and authorities to encourage deferment of CASS until the industry, and the country is in a stronger financial position. Implementation of CASS will surely sound the death knell for Sri Lanka's export earnings, and we strongly urge all parties to consider the wider effects.

I must also mention an issue that dates back to 2014 and has seen no resolution to date. This concerns the set rules and regulations pertaining to delivery orders, and while most of the industry adhere to the set rules and regulations, there is a segment that consistently flouts these. We have attended never-ending meetings with the relevant authorities to voice our difficulties due to these practices. After much deliberation by Members of the Ocean Freight sub committee, the SLFFA has formulated and suggested a fair and practical solution to all stakeholders. We hope that the authorities will support our proposals to end this painful area that has been affecting the industry for nearly a decade.

A proposal by a former Finance Minister also threatened the profitability and sustainability of our industry, and that is the levy of 2.5% on turnover for Social Security Contribution (SSC). Such a high levy would cripple our industry, as our margins cannot accommodate it, due to the competitive nature of the industry, not only locally, but globally. Representations by SLFFA to the Finance Ministry have borne fruit in the form of a special relief granted to freight forwarders in the bill that was subsequently published.

Corporate Social Responsibility is an important pillar for SLFFA, and I am proud to report that we were able to resume our CSR activities after temporarily pausing them during 2020 and 2021 due to the Covid-19 pandemic. For 2022 and beyond we have planned several CSR activities, continuing a legacy that spanned over 15 years prior to 2020. I must also thank members of the industry who have participated in our CSR activities, as well as engaged in CSR activities of their own.

Finally, I must thank my own committee and team at SLFFA for their continued support, as well as the SLFFA sub committees who have embarked on many projects. I'd strongly urge you to read the sub committee reports as well, to understand the contributions that they have made towards the industry, even as we all struggle to see light at the end of this seemingly never-ending tunnel. As on being nominated Chairman, I am humbled at the responsibility and trust placed upon me, and pledge to serve the SLFFA and industry with best efforts throughout my term.

Vice Chairman's Message

6



Mr. Channa Gunawardena
Vice Chairman, SLFFA

The Covid-19 pandemic was very much in force as we entered the period 2021-2022 and continues to be prevalent across the world. As vaccination rates increased and the world sought a return to a 'new normal', logistics across the globe faced new challenges, caused by spikes in trade fuelled by increasing consumer demand for a myriad of goods and services. The local logistics industry too faced and continue to face a unique set of challenges that have been brought upon, not only by the pandemic's effects, but by our own economic crisis of proportions never encountered before in our recent history. In fact, while the world is recovering, Sri Lanka remains pushed down due to a myriad of internal and external macroeconomic factors. Hence, our logistics industry has been forced to function under ever increasing difficulties, and as it is the backbone of nearly every other industry in the country, failure is not an option. We must forge forward.

As the apex body representing the industry in Sri Lanka, SLFFA continued unrelenting commitment towards adhering to the set guidelines and health practices, while encouraging all members to do so, and finding ways to forge forward. This was important, as even in light of increasing percentages of fully vaccinated individuals, the pandemic remains in force, and new variants of Covid-19 are always emerging. Amidst all this, the industry was able to continue to deliver results, including some spectacular

figures that showcase the true spirit of logisticians when pushed to the wall. SLFFA was able to support all this and resume ongoing CSR efforts that have been in force for over 15 years prior to 2020 too. Supporting the Lady Ridgeway Hospital has been a mainstay of SLFFA's CSR activities.

The Sri Lankan economic crisis created additional demands on SLFFA's members, as the resulting fuel crisis forced logisticians to find new ways to commute to work and optimize processes towards working from home. This is no small feat for an industry that is reliant on transportation and physical presence for many activities. The outcomes of this were embracing of the new work from home culture that has taken hold globally, bolstering trust between employees, and empowering more people to work alone, and achieve high levels of performance.

The Sri Lankan economic crisis also created escalation of operational costs due to a myriad of reasons, such as the floating of the US Dollar and subsequent skyrocketing of exchange rates, fuel price hikes, and contending with overall global freight rates that remain high to this date. This caused continued uncertainties among our 150+ members, as well as the markets that they operate in, given the predictions for a recession among the major Western markets. SLFFA leads the industry as a team to mitigate the negative impact of these, including through continued interactions with authorities such as Sri Lanka Customs, Sri Lanka Ports Authority, Airport and Aviation Services, and related regulatory bodies, with ongoing and sustained high level engagements. Working together as a tight knit industry, brought together by SLFFA has realized synergies and outcomes that would be unattainable by a single or small group of players, and SLFFA pledges continued support to the industry towards these goals.

SLFFA is also committed towards ensuring that the industry enjoys the stewardship of qualified and experienced logisticians and offers a range of training courses for all those in the industry, from beginner to expert level. This is to ensure that logisticians in Sri Lanka are well equipped to perform at their best in an industry that is in a constant state of flux, globally, as well as locally. The final point that I must touch on is that SLFFA always champions ethical practices, and encourage our members to abide by them, despite how adverse things may get. There are no short cuts, and we always support those who do things the right way.

Secretary's Report

7



Mr. Rohan Induruwa
Secretary General, SLFFA

The Association, whilst stepping in to the 41st year of service to the industry, continued to maintain active dialogue with its members and with all other stakeholders associated with the industry, as well as Government and statutory bodies, particularly in relation to maintaining professionalism and efficiency in the freight forwarding industry as a whole.

In addition to its ongoing projects and activities, the Executive Committee focused more on sustaining the Association's position in matters concerning Ocean Freight and Customs, Air Freight & Air Cargo Village (ACV), air freight charges, Port operations including tariff, Delivery Order charges, and conducted regular discussions with officials of the Sri Lanka Ports Authority (SLPA), Sri Lanka Customs (SLC), Airport & Aviation Services (SL) Ltd (AASL), Srilankan Airlines/Cargo, Civil Aviation Authority of Sri Lanka (CAASL), Sri Lanka Export Development Board (SLEDB), the Directorate of Merchant Shipping (DMS) of the Ministry of Ports & Shipping.

In addition, The Executive Committee engaged in discussions with The Ceylon Chamber of Commerce, Sri Lanka Shippers Council (SLSC) and Ceylon Association of Shipping Agents (CASA), Joint Apparel Association Forum, etc. With a view towards strengthening the self-regulatory regime introduced by the Association, regular training programs were conducted for the benefit and betterment of the members. However, the Association could not organize the Webinars/Seminars as usually conducted annually, due to the unrest in the country owing to the ongoing political and economic crises facing the nation.

SLFFA Office Bearers, Advisory Council, Committee members and the Secretariat had an eventful year, and judiciously carried out duties amid the challenges of the pandemic and other macro economic variables. SLFFA was called upon on numerous occasions to represent its members and was also included in advisory roles of national importance. A summary of these representative roles played are given herein.

The Office Bearers were also involved in several meetings held by the then newly appointed Prime Minister and currently H.E The President, Hon. Ranil Wickramasinghe and the Opposition Leader, Hon. Sajith Premadasa to provide inputs regarding the issues/concerns of the logistics industry. Several Meetings were also held with the Minister of Ports, Shipping & Aviation Hon. Nimal Siripala De Silva with regard to the serious concerns if Srilankan Airlines implements the Cargo Account Settlement System (CASS) in the current crisis situation in the country. In addition SLFFA continued to attend monthly meetings with The Ceylon Chamber of Commerce (CCC) and Sri Lanka Shippers Council (SLSC).

The activities of the Association were handled by the following sub committees:

- Airfreight and Air Cargo Village
- Ocean Freight, Port, Customs and BOI
- Publicity, Social Affairs, Website and CSR Projects
- SLFFA Training and AITT
- Research & Development (R&D)/Statistics
- Finance
- Legal & Insurance Assistance
- FIATA, FAPAA and SLFFA Cargo Services Promotional Activities
- New Membership Promotion/Evaluation and Membership Grievances
- Digitization

MEMBERSHIP MEETINGS AND EXECUTIVE COMMITTEE MEETINGS

As at the end of the period under review, the membership of SLFFA reached 150 members. The Executive Committee met on ten occasions during the period under review to conduct its business. SLFFA also conducted one General Membership Meeting during the same period. During the year, SLFFA created one new sub committee to handle Digitization due to its high importance for greater efficiency in the industry. The aforementioned sub committees were headed by members of the Executive Committee and they obtained the support of other additional SLFFA members who have voluntarily joined the activities of the sub committees.

Secretary’s Report

OTHER INDUSTRY RELATED MATTERS

SLFFA Office Bearers, Committee members and the Secretariat were actively involved in the following key industry issues in addition to the other issues highlighted by the respective sub committees;

The Foreign Exchange Crisis

In reference to the foreign exchange crisis faced by our country currently, the Banks has not been able to remit freight charges in excess of USD 110 million to shipping lines and airlines overseas since October 2021. As a result of such delays, both shipping lines and airlines are now resorted to bill the freight forwarding community in USD. SLFFA has proposed solutions to the National Carrier & several leading airlines by emphasizing the huge impact that is faced by our members in settlement when invoiced in US\$, with Banks being unable to process payments for several weeks. SLFFA requested to grant an extension of the current credit period by an additional number of days to enable our members to make payments. SLFFA further suggested an alternative to accommodate a 60:40 ratio, where they would receive a majority of payments in US Dollars when receiving freight dues from the respective forwarder, as this was a win-win situation for both parties.

SLFFA also had discussions with several leading shipping agents and the Ceylon Association of Shipping Agents (CASA) in Sri Lanka, to find ways of minimizing the challenges faced by its members in this regard. SLFFA will continue such discussions with the airlines and shipping agents concerned to find solutions in this crisis situation as and when required.

In addition, SLFFA had several discussions regarding the foreign exchange crisis, with senior officials of the Finance Ministry and the Ministry of Ports, Shipping & Aviation in discussing measures to overcome the issues faced by the membership.

Attempt by Srilankan Airlines To Implement CASS In Sri Lanka

Srilankan Airlines and IATA, are making yet another effort to implement Cargo Account Settlement System(CASS) in Sri Lanka and have indicated of their intention to implement same as soon as possible. At a meeting convened/chaired by the Secretary, Ministry of Ports, Shipping & Aviation, SLFFA voiced its strong objection to this irrational move citing the current crippling economic crisis, coupled with the foreign exchange crisis, the serious impact it will have on exporters & all sectors of the trade and that there is also no value addition to the industry by introducing CASS, etc.

Thereafter, SLFFA immediately addressed the concerns and objections to the Hon. Minister of Ports, Shipping & Aviation by letter and also sought the support of the Sri Lanka Shippers Council (SLSC), National Chamber of Exporters (NCE), Sri Lanka Export Development Board(SLEDB) and Joint Apparel Association Forum (JAAF), after having discussed this matter with them and being assured of their support to work together, to stop the implementation of CASS in Sri Lanka. SLFFA will continue to lobby strongly against this move by Srilankan Airlines

Special Concessions For Air Cargo Village(ACV) Users

Based on an appeal made by SLFFA, Airport & Aviation Services Ltd (AASL) granted special concessions to ACV users on the monthly rental to be paid for the leasing of warehouse space, due to current drastic drop in air freight. The rent reduction which has been granted by AASL will provide relief to members operating from the ACV.

Appointment to Advisory Committee on Logistics of the Sri Lanka Export Development Board (SLEDB)

The Past Chairman of SLFFA, Mr. Jagath Pathirane was appointed as Vice Chairman and current SLFFA Chairman, Mr. Dinesh Sri Chandrasekara was appointed as a member of the Advisory Committee on Logistics of the (SLEDB), by the Hon. Minister of Development Strategies & International Trade. They are expected to play an active role in the National Export Strategy (NES) on the Logistics Policy and Infrastructure Development of the country.

Appeal the Treasury Secretary with Regard to the Social Security Contribution (SSC)

SLFFA made an appeal to the Treasury pertaining to taxability of its members on the proposed SSC. In the appeal SLFFA requested the treasury to apply the same concept considered for the Economic Service Charge(ESC) several years ago. Whilst the Treasury has granted the benefit for exports, SLFFA is continuing to explore the possibilities for obtaining approval for import freight related to local consumption, also to be exempted.

Inaugural National Logistics Awards Organized By SLFFA

To coincide with its 40th anniversary, SLFFA conducted the inaugural National Logistics Awards (NLA) on 23rd March 2022 at Shangri-La Hotel Colombo. The ceremony was graced by the Prime Minister of Sri Lanka, Hon. Mahinda Rajapakse.

The event was designed to recognize the top logisticians and related service providers and appreciate their dedicated service to the economy. During the tumultuous year of 2020, the importance and indispensability of the logistics industry was understood across the world. For years the silent endeavors of

logisticians went unnoticed, but with the introduction of NLA, there was, and will in future, have a common platform for all segments within the industry to shine.

The NLA’s primary objective was the upliftment of standards and service levels across all logistics service providers by making each market player more accountable. This would provide all logisticians a fair and equal opportunity to display their forte and prove their contributions to the industry, which will help those who are top performers to win the confidence of their customers and encourage others to move in to the top tiers.

By way of the NLA, a window was created for due recognition to be granted to the industry and going forward, it is expected that more attention would be forthcoming from the authorities and regulators as well. SLFFA hopes to continue to organize this prestigious event on a biennial basis in the future.



National Logistic Awards 2022

Left-Former Hon. Prime Minister Mahinda Rajapakse, Chairman of SLFFA Mr. Dinesh Sri Chandrasekara and Mr. Mohan Pandithage



National Logistic Awards 2022

Left-Chairman of SLFFA Mr. Dinesh Sri Chandrasekara, Former Hon. Prime Minister Mahinda Rajapakse, Past Chairperson Ms. Tania Polonnawita Wettimuny, Immediate Past Chairman Mr. Roshan Silva



Paper Supplement of National Logistic Awards 2022

SLFFA wishes to place on record its gratitude and appreciation of all the sponsors of the event who contributed generously, the professionalism exercised by the elite Panel of Judges and also the meticulous work and dedication of the NLA Organizing Committee of SLFFA

SLFFA Secretariat



Mr. Rohan Induruwa
Secretary General, SLFFA



Ms. Dishni Perera
Manager, SLFFA



SLFFA Secretariat plays an important role in organising and managing all administrative work pertaining to the logistics and freight forwarding industry on behalf of the SLFFA members. The team at SLFFA gets involved in identifying training needs, attending to regulatory requirements and representing the membership interests. SLFFA operates from Torrington Avenue in Colombo 07; a convenient location for all members to visit as and when required.

Leadership



Board of Directors



Left to Right

Seated

Mr. Tony De Livera, Mr. Dushmantha Karannagoda, Mr. Roshan Silva, Mr. Channa Gunawardena, Mr. Dinesh Sri Chandrasekara, Mr. Andre Fernando, Mr. Jagath Pathirane, Ms. Tania Pollonnowitta Wettamuny, Mr. Mohan S Mohanadas

Standing

Mr. Navin Perera, Mr. Suminda Hettiarachchi, Ms. Diruni Chanmugam, Mr. Sujana Malawana, Mr. Priyan Seilman, Mr. Nishan Jayawardena, Mr. Shavindra Dias, Mr. M F Ibrahim, Mr. Kolitha Wickramasinghe, Ms. Suharshini Welegama

Sub Committee Reports

Air Freight and Air Cargo Village



Mr. Priyan Seilman
Chairman



Mr. Sujan Malawana
Dep. Chairman



Mr. Priyantha Punchihewa
Member



Mr. Nishantha Perera
Member



Mr. Gehan Seilman
Member



Mr. Chandana Jeerasinghe
Member



Mr. Aqthab Arifeen
Member

AIR FREIGHT & AIR CARGO VILLAGE (ACV)

With continued challenges faced by all businesses in Sri Lanka, the Air Cargo Village (ACV) too, has faced many challenges on its own. Despite these challenges, the ACV has navigated through these challenges without facing major issues or setbacks, and as a result, operations have continued without any hindrances. Additionally, the implementation of strict COVID protocols, as well as the immunization of staff with the booster vaccine has continued. with the aid of Airport and Aviation Services Limited (AASL).

SLFFA Air Freight/ACV members were involved in a project initiated by AASL for the Air-Cargo community system. The aim of this project was to have a full-fledged cargo community system to streamline from the truck arrivals to ACV. There were several meetings held with Sri Lanka Customs, SriLankan Airlines, and SLFFA regarding the current systems and procedures for the developers of the system to comprehend the current method of operation. Unfortunately, due to the current situation in Sri Lanka, the project has not seen the progress that was previously expected.

CHALLENGES FACED DUE TO THE CURRENT EXPANSION PROGRAM AT BIA

The committee members have been working alongside the AASL and SriLankan Airlines to find a solution for the continuing problem regarding the build-up of export-pallets being kept under the open sky due to a shortage of warehouse space as a result of the current construction taking place at BIA. Meetings were held, and field visits were conducted with AASL and SriLankan Airlines to find an alternative solution.

The Air Cargo team did visit the Air Cargo facility to find a suitable solution on several occasions, however, as a result of the construction, both SriLankan Airlines and AASL were unable to offer a viable, long-term solution. Due to this, the Air Cargo committee proposed the following:

- a) To have a designated team from SLFFA to monitor the ULD area to make sure that poly covers are correctly placed
- b) To use Tarpaulin covers to make sure the ULD are covered and then removed when taken for loading

Despite the proposal, SriLankan Airlines was not in agreement with the proposed system, citing safety concerns. Additionally, Sri Lankan Airlines made a request for the ACV-users carpark to be converted to a temporary shelter. This was objected by the Air-Cargo Committee as this parking area is currently being utilized by over 50 vehicles for parking, on a daily basis. SriLankan Airlines did not pursue this matter despite there being several onsite meetings with AASL and SriLankan Airlines, along with the Air-Cargo Committee.

EDUCATING MEMBERS ON THE CURRENT BIA EXPANSION

The association, alongside the AASL organized a virtual meeting to educate all SLFFA members regarding the expansion taking place at BIA, as well as the challenges that members would face in upcoming months. It was distinctively explained how important it is for members to have all export cargo pallets thoroughly poly- or shrink-wrapped in order to avoid any rainwater damage.

CARRIERS DEMANDING FREIGHT PAYMENTS IN USD

Several meetings and discussions were initiated by the Air Freight/AVC Committee with the main cargo carriers, namely, Emirates, Qatar Airways, and Turkish Airlines, to explain the difficulties that the membership faced with settling payments in USD.

The committee proposed that the airlines implement a mechanism to charge 70% of the freight in USD, and the balance 30% in LKR. However, as most foreign carriers were struggling with remittance, all carriers refused to adopt this system and continued to charge freight charges in USD.

Additionally, SriLankan Airlines, followed the same system of invoicing freight charges in USD. This occurred despite many discussions with the airline, as well as multiple members writing to SriLankan Airlines individually, refusing to pay in USD. SriLankan Airlines continued the process of payments in USD.

IMPLEMENTATION OF CASS

SLFFA rejected the proposal, which came through Sri Lankan Airlines, on the CASS implementation attempted in 2018 and 2020. SLFFA is fighting against the implementation of CASS, which is not ideal for creditor settlement, especially under the current conditions with the support of JAAF and SLSC. Having explained to SriLankan Airlines that SLFFA is not in favor of CASS due to various reasons such as the current situation in the country, as well as the credit issues involved, it was reiterated that SLFFA would maintain the same position communicated back in 2018.

Given that a cost of 2% charged by IATA from SriLankan Airlines will be covered from the trade, it was highlighted that CASS adds no value to the trade and reduces the credit period to 15 days, which is not warranted in the current process that has continued smoothly, thus far. As SriLankan Airlines have taken the matter to a ministerial level, SLFFA represented these meetings with the minister and explained the stance of the Association; that CASS adds no value to the current system. Additionally, the Association emphasized that, due to the current crisis, specifically the Forex crisis, the situation may be further aggravated when introducing CASS to the Sri Lankan market.

Sub Committee Reports

Ocean Freight, Port, Customs and BOI



Mr. Nishan Jayawardena
Chairman



Mr. Kolitha Wickramasinghe
Dep. Chairman



Mr. M F Ibrahim
Member



Mr. Mangaleswaran Ratnajothe
Member



Mr. Navin Perera
Member



Mr. M H M Farzan
Member



Mr. Roshan Paul
Member

Despite the current challenges and volatility experienced due to the COVID-19 Pandemic, the economic crisis and the political situation, the Ocean sub committee was successful in finding solutions to many long-standing issues faced by the industry. Numerous meetings (physical and online) were held in anticipation of solutions. The committee must condone the support received by most Government representatives in these endeavors to endeavours.

BOARD OF INVESTMENT OF SRI LANKA PORTS (BOI)

The SLFFA took up some difficulties faced by the members in relation to “delays in uploading receipts pertaining to service fees and verification charges”. This was causing delays in the recovery of the Reimbursement Fees from the enterprises by the Custom House Agents/Freight Forwarders who offer services of customs clearance.

Furthermore, there were difficulties in relation to “Delays in cancellation of export Entries (CUSDECs). The BOI’s (CUSDECs) of cancelled export orders were being delayed over 30 days, thus drawing a fee of LKR 1,000/- per entry. Most Freight Forwarders/ Customs House Agents were finding it difficult to recover these from the enterprises they serviced due to delays.

Having discussed and written to the ‘Executive Director of Zones, we received a swift response by deploying additional staff to clear the backlog. The BOI also indicated that arrangements to automate the process via e-platform making all processes real time will be made.

SRI LANKA CUSTOMS (SLC)

Regular interactions were held with the Sri Lanka Customs on concerns raised by the members. Joint meetings and discussions with various other stakeholders of the industry were held in a bid to exert pressure with a view of finding solutions in a swifter manner.

There were limitations in amending CUSDECs at the Export Facilitation Center (EFC). When brought up one of the meetings held, a swift solution was provided by the Customs.

At the height of the pandemic, SLFFA brought to SLC’s notice of SLC that the registration for examination is done only up to 8 pm, causing a severe backlog. The congestion of vehicles results in container/liner demurrage and truck detention, which adds to the cost of clearance. SLFFA suggested to extend the time for registration. This was catered to, and the DGC extended the time till 10 pm that helped the industry move goods faster.

An issue that was discussed over the years were the manifest amendment tariff (penalties) published by the SLC. SLFFA has been lobbying for mitigation of the penalty amounts citing high penalties for minute amendments ranging from LKR 30,000/- to a maximum of LKR 100,000/-. SLFFA requested SLC to consider that the range be amended from LKR 1,000/- to LKR 25,000/-. After much persuasion, SL Customs agreed to meet halfway and intimated that the penalties will now range from LKR 5,000/- up to LKR 50,000/- which is close to 50% mitigation from the tariff. The Gazette however will not be changed but the mitigated penalties will be levied based on the provisions set and within the framework of the Gazette. SLC are also working on integrating this tariff with the e-manifesting project that is in place. This is a step towards avoiding physical meetings with the relevant authorities which SLFFA sees as a positive move. Implementing the proposed new Penalty structure and introducing visibility and transparency into the current system will result in facilitating trade and improve the ease of doing business, help to improve Sri Lanka’s position on the LPI (Logistics Performance Index), reduce malpractices at all levels and facilitate the improvement of operations and revenue of Importers and Exporters.

The SLFFA also took up the concern pertaining to manifest reporting tiers. At present, the MLO’s are provided with a 72-hour window prior to ETA to submit manifests and the NVO’s/ NVOCC’s/FF’s a 48-hour window. This leaves the later tier just a 24-hour window to submit manifests, even though they may have ready all information pertaining to the lodgment. SLC agreed to allow FFs to submit in advance by end of the year when ASYHUB is up and running. This development was seen as a positive step in achieving an efficient data and information transacting system by SLFFA. This initiative is envisaged to bring about efficiency in the cargo releasing process, thus helping boost the country’s Ease of Doing Business Index.

Those involved in CHA activity brought up an issue with the lack of officers at CFS 5 (Pettah WH). The DGC is negotiating for space with SLPA to house officers and he indicated that this will be sorted no sooner the revamping of the SLPA Warehouse is done.

The SLFFA was invited to join in on a Private Sector Workshop on DGMT (Digitizing Global Maritime Trade) initiated by the GIZ, facilitated Tredlense in terms of software expertise. Sri Lanka Customs are partnering with them to expedite this new initiative that will provide the Sri Lankan Importers to Pre-Clear their goods prior to arrival. The DGMT project will make way for Advanced Revenue Collection. SLFFA made its recommendations

and suggestions which was valued by the DGMT team. Some of the areas that were conveyed among other things were the Impact with the Exchange Rates for advanced clearance, Refunds and Drawbacks through the platform, Legal reforms required for Pre-Clearance and Interfacing with external platforms. The implementation date of December 2022 is the planned for this maritime Pre-arrival (PAP) and Pre-departure (PDP) processing (AYSHUB) subject to the economic situation of the country.

The implementation of Paperless Trade and Digitization is another important area that is been looked at by the SLC. The Ceylon Chamber of Commerce in association with the Asia Foundation is organised a series of round table discussions. Although the Sri Lanka Customs had notified all stakeholders that they will implement the Digital Signature effective 1st August 2021, this was postponed indefinitely. The Director General of ICTA (Information and Communication Technology Agency), indicated that there are no barriers to the implementation of the Digital Signature, paving the way for immediate implementation.

The CHAs and Freight Forwarders who are involved in Clearance work will require to comply Citing the dire economic situation, the country is faced with, SLC made a request to the trade to declare the Freight component on all Bills of Lading (B/L). SLC was of the view that the true Freight component is not declared by some traders. SLFFA agreed to provide details on Freight Collect (FOB) imports EXW, FCA, FAS & FOB on request but indicated the difficulty in obtaining the Freight details of “pre-Paid” shipments controlled by agents/principals. Other trade bodies that represented agreed to provide the Declared/ Manifested Freight details considering the National Revenue collection concerns.

SRI LANKA PORTS AUTHORITY (SLPA)

The SLFFA, along with other industry stakeholders has actively discussed implementation of the electronic delivery order (E-DO) process at Colombo Port. As the first step of this automation process, we have been encouraging the SLFFA membership to start issuing electronic Delivery Orders to final consignees as well. During the height of the Pandemic in 2020, the secretariat assisted members who were facing problems related to detention and demurrage charges at the Port, which were caused by various operational delays. These issues were consistently taken up at various stakeholder meetings chaired by SLPA hierarchy and other Government officials. The trust and confidence he placed in the professionals of the trade immensely helped to solve many issues face by the industry, especially the pandemic

Sub Committee Reports

Ocean Freight, Port, Customs and BOI



related challenges faced by all members. SLFFA has also initiated discussions with SLPA to work on the MCC excess charges on Export consolidated containers. We are lobbying for change with regards to the inconsistent and excessive stuffing and related charges passed on to the consolidators and looking to obtain a solution which would be beneficial to all parties concerned.

The Ocean sub committee met with the Director Logistics SLPA to address certain industry concerns raised by the membership. As a concern with regards to the available space, SLFFA requested a clarification on the demarcation of the BQ warehouse and was informed that all Transshipment (TS) & TS mixed Consolidated boxes are handled at BQ. SLPA also indicated that the space within the BQ premises will increase and that renovations are in progress. SLPA suggested that they will look at consolidating goods into a unit or a few containers unit and release empties promptly to avoid liner demurrage. Necessary actions to minimize shifting of Part TS Containers. Expansion of spaces of BQ will be facilitated.

A concern with regards to the process on de-stuffing was raised by SLFFA. SLPA agreed to prioritise on an ETD of on-forwarding vessel provided that the manifests are submitted and then to facilitate on a FIFO basis. To facilitate the flow of information,

a list is released by SLPA online (Google forms) and SLFFA is to share this daily with its members after having verified if this is being updated real time. SLPA indicated that a senior staff member is allocated at each warehouse to oversee the entire operation. All issues to be taken up with the respective senior staff member and escalated if a solution is not forthcoming.

A deterrent to the sequential flow of goods in which unreceipted payments are common was taken up. SLPA discouraged and agreed to collaborate with SLFFA and other industry representations to eliminate such practices. A monitoring system by way of introducing a CCTV system at BQ was proposed in a bid to promote transparency and accountability. SLPA agreed to take this up along with the expansion projects that are taking place. SLFFA requested all members to refrain from this practice to promote a healthy and ethical trade practice. Further, the process would be for all to complain to duty officer or relevant executive officer of unit/Warehouse (Contact details attached) and if a reasonable solution is not received the Chief Manager and Director of Logistics to be notified. Complaints were welcome by Director Logistics (on his personal number) in the event a solution is not received. The so-called Direct Delivery promotes unreceipted payments and this was discouraged. In the event of an urgent de-stuffing request, communicate directly to Unit executive officer or duty officer and they will facilitate.

DIRECTOR GENERAL OF MERCHANT SHIPPING (DGMS)

DGMS's Guideline No.5 pursuant to Gazette No. 2041/10 of 2017 has forced unfair practices amongst Freight Forwarders and Consolidators, rather than streamlining the process. Prescribed Delivery Order fees are not in tandem with actual market costs. As a result, SLFFA has continuously insisted for a revision of the maximum Delivery Order fee guidelines. In this connection it is pertinent to mention that discussions have been going on for few years now to establish a two-tier D/O System with reasonable cost recovery for Freight Forwarders and Consolidators.

Certain industry players have resorted to recovering additional costs in violation of Guideline No.5. In this process, to circumvent Guideline No.5 directions, some companies in our industry are exerting pressure on the consignee to issue a letter or email consenting to settle de-stuffing and other related costs, involuntarily. SLFFA does not condone such unfair and unethical practices. The DGMS is of the view that action is not possible against such players when they are in possession of a letter from the consignee purported to be issued voluntarily. The DGMS has agreed to investigate this serious matter affecting the goodwill of the entire industry.

It has been revealed that certain Freight Forwarders/ Consolidators resorting to unethical business practices, are approaching agency networks of fellow Forwarders by offering attractive rebates (from the excess/additional funds collected) in-order to capture their networks/businesses. It is understood from the market that these consolidators do not charge the CRS from the consignees that have negotiated rates on FOB basis with them. This appears to be a practice of taxing the majority for the benefit of a few and SLFFA vehemently opposes such business practices. SLFFA has lobbied against this practice and hope that such practices will be avoided and has recommended to the DGMS that the licenses of those that continue to flout are cancelled.

The DGMS at present has resorted to temporarily withdrawing the licensing until such malpractices are put to a halt. SLFFA has advised its membership to convince the customers to change the incoterms from CIF/CNF to DAT so the shipper at origin pays up to CFS terminal. It was also felt that this could be intruding into the free will of the buyer and seller's Contract of Sale.

SLFFA decided to approach the Ceylon Chamber of Commerce to jointly write to the DGMS seeking solace on behalf of the industry. However, this did not receive positive response from some industry bodies such the Shippers Council. Nevertheless, SLFFA continues to exert pressure with the DGMS as the membership is losing substantial sums of money over a very long period due to the high costs. In order to avoid further losses, SLFFA decided to write to the DGMS seeking approval for an increased minimum DO fee citing reasons such as exchange related losses connected to depreciation of LKR against the USD, Increase in other general expenses due to the prevailing economic situation which is faced by all industries in general, Non-compliance by a certain sections of the trade where they are not adhering to the Guideline No. 5 issued and continuing to charge excessive amounts which our compliant members are not in a position to recover in turn from the final customer. Further, the unethical players are using these additional recoveries to lure overseas agents to work with them through various rebate facilities was also highlighted. The DGMS has appointed a five-member committee to probe and study this issue and will communicate to SLFFA on the findings and decisions.

In a recently held meeting with the Secretary to the Ministry of Ports & Aviation the DGMS indicated that the Standard Operating Practice by virtue of the Powers Vested to the DGMS, the following will be followed in the event Guideline 05 is violated. A warning will be served on the 1st violation followed by a temporary suspension on the 2nd and finally cancellation of the license in the event of the 3rd violation. The Ministry is to make their final decision on this. SLFFA is hopeful that the D/O fee will be reasonably revised to cover the rise in costs / depreciation of the rupee.

Finally, the Ocean Freight Sub Committee, wishes to thank the Office Bearers, the Advisory Committee, and the secretariat of SLFFA for all the support given in making this year a fruitful one. We hope to continue the trend in finding solutions to you, the members of the Sri Lanka Logistics and Freight Forwarders Association!

Sub Committee Reports

SLFFA Training and AITT

AITT Board



**Ms. Tania
Polonnowita
Wettimuny**



**Mr. Dinesh Sri
Chandrasekera**



**Mr. Channa
Gunawardena**



**Mr. Andre
Fernando**



**Mr. Diren
Hallock**



**Mr. Niral
Kadawatharatchie**



**Mr. Kingsley
Abeywickrama**



Mr. Navin Perera

Sub committee



Mr. Navin Perera
Chairman



**Mr. Suminda
Hettiarachchi**
Dep. Chairman



**Mr. Anuradha
Sooriyaarachchi**
Member



**Mr. Thushan
Jayaratne**
Member



**Mr. Chandana
Perera**
Member



**Mr. Sudheera
Ekanayake**
Member



**Ms. T P
Tudugala**
Member

CAPACITY BUILDING

The SLFFA, as the leading body for the freight forwarding community in Sri Lanka is focused on capacity building with its overall ambition of supporting the HUB concept for Sri Lanka.

It is of paramount importance that we train and develop the respective stakeholders with the most current updates and the prospects for the industry to be able to cater to the growing demands in this ever-changing industry.

The Association is working towards raising the standards of the overall industry and making it a more professional and dynamic trade sector.

The Academy of International Trade and Transport

The Academy of International Trade and Transport (AITT) is the training arm of the Sri Lanka Logistics & Freight Forwarders Association (SLFFA).

It is a body endorsed by the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), the International Federation of Freight Forwarders Associations (FIATA) and is an Accredited Training School (ATS) of the International Air Transport Association (IATA). It is also a training institute approved by the Directorate of Merchant Shipping - Ministry of Ports & Aviation.

AITT conducts 3 training courses, namely,

- I. The Foundation Course in Multi-Modal Transport and Logistics, targeted at school leavers and anyone who is keen to start a career in Logistics.
- II. the Certificate Course in Freight Forwarding and Multi- Modal Transport, which is targeted for those who wish to further their knowledge of the industry, and which is a requirement by the DMS to have a minimum of 2 staff members qualified in this course as this program is approved by the DGMS.
- III. The FIATA Diploma in Freight Forwarding and Logistics, an international qualification for those who wish to pursue higher studies in the Freight Forwarding industry, a certification that is recognized internationally.

DETERMINATION AND STRIVE FOR SUCCESS

Despite the current challenges of Covid lockdown and fuel crisis, SLFFA continued to grow in strength and carry out training sessions online.

To date the training sessions continue online and we have successfully conducted assessments and lectures whilst being able to engage with our students on live Zoom sessions and assignments. This effort has also allowed students from overseas to join trainings and have given great flexibility to log in from a convenient location

to them and be engaged than missing physical class room sessions due to personal commitments. The lecture recordings along with the lecture material is also been shared where the students can even at a refer to them at a later date for clarity.

AITT conducted exams for 1 batch of the Foundation course, 1 batch of the Certificate course and 12 modules of the FIATA course using Moodle, making the total number of exams conducted via the Online platform 14.

A note of appreciation with gratitude must be made to our course director, team, the expert panel of lecturers for their commitment to ensuring continuous education. We continue to attract industry experts with current knowledge who are engaged in real time logistics business to share the most recent updates of the industry.

We conducted an award ceremony for the last batch of students along with the inaugural Logistics Awards conducted at Shangri-La Colombo.

- Foundation students : 13
- Certificate students : 37
- FIATA International Diploma students: 14
- Medals were given out to the top 3 students of the Foundation and Certificate course batches.

PROGRESS DURING THE CURRENT YEAR

In 2022, over 100 students had attended online lectures across all 3 courses with keen interest. We expect to carry out the awards ceremony end of the year.

SLFFA hopes to expand its online presence by facilitating industry panel discussions / online seminars by providing a voice for the stakeholders to view their ideas opinions whilst enhancing the knowledge.

IAITA DGR INITIAL AND RECURRENT COURSES

A new DGR instructor was introduced to the panel and have thus far carried out four (04) trainings in November 2021.

- 3 recurrent trainings
- 1 initial training

A total of 73 students took part in these courses to upgrade their knowledge on handling DG.

A further Initial training was done in April 2022 with 20 students participating.

With the new guidelines from ICAO and IAITA we intend to reregister with IAITA from Accredited training school (ATS) to Competency based training & assessment center (CBTA), effective 1st January 2023.

Sub Committee Reports

New Membership Promotion and Evaluation



**Ms. Diruni
Chanmugam**
Chairperson



**Mr. Kolitha
Wickramasinghe**
Dep. Chairman



**Mr. Shavindra
Dias**
Member

SLFFA being the premier Association representing the Sri Lanka Freight Forwarding Industry, with a mission to promote professionalism and excellence in the trade, has over the years attracted a strong membership of leading Freight Forwarding companies in the country.

Today, SLFFA represents a total membership of 150 reputed Freight Forwarding Companies and stays anchored in its unwavering mission to support and sustain the Freight Forwarding sector through active industry participation and collaboration to cultivate mutually beneficial partnerships with all industry stakeholders.

The steady growth in membership numbers over the years is a testament to our commitment to empowering our members as well as the recognition that SLFFA has gained among the industry stakeholders. This year, the SLFFA membership grew significantly, 15 new members have joined the association as at end of July 2022. Despite the challenging times faced by all industry stakeholders the growth in membership numbers is a positive sign.

SLFFA as a leading industry association stands committed to its valued membership, constantly reviewing & exploring forward looking initiatives to help companies implement improvements to emerge stronger amidst these turbulent times.

Partnerships with SLFFA Affiliate Members continues with positive collaboration between all associations for the mutual benefit of all to resolve issues and concerns in the industry and statutory bodies. (JAAF, Association of Clearing & Forwarding Agents-ACFA, Tea Exporters Association Sri Lanka, Sri Lanka Association of Manufacturers and Exporters of Rubber Products)

Sub Committee Reports

Legal & Insurance Assistance (Freight Forwarders' Liability Insurance)



**Ms. Suharshani
Welegama**
Chairperson



**Mr. Andre
Fernando**
Dep. Chairman



**Mr. Nilantha
Kanakaratne**
Member



**Mr. Buddhika
Mathew**
Member



**Ms. Nimalie
Kariyawasam**
Member

INTRODUCTION.

This report documents and describes the scope of work that were entrusted & proposed for the special 'Legal & Insurance' sub committee that was formed based on the decision taken in October 2020 by the immediate past chairman during 2020/2021, in the interest of assisting SLFFA membership with the "Freight Forwarders liability insurance cover claims and to secure the best possible benefits from the insurance company. Also, for the year 2022 "Reported debtor database" development that was handled previously by Research & development sub committee was transferred in developing an effective reporting Mechanism which SLFFA wishes to establish to identify bad debtors among its membership.

LEGAL REVIEWS

SLFFA-AOA (Articles of Association)

Based on the review done by the previous sub committee members of the current AOA (Constitution) of SLFFA and newly appointed members of the sub committee with the approval of the ExCo, were notified and brought under the purview of the eminent lawyers D.L. & F. De Sarams, in making the required changes. The relevant amendments and by-laws requested to change have been discussed and vetted through the sub committee lawyers and the amendments to the content and structure thereof in formalizing the same which are to be taken up for discussion by the Executive Committee before the AGM SLFFA 2022.

DDB (Debtor Database)

The Revamping initiative taken up by the previous sub committee during 2020/2021 assessed the practical difficulties & shortcomings in maintaining a list of debtors under its existing method which was practiced for many years by following a cumbersome process of submitting information to a centralized database. Hence, it was decided to replace it with a system

to provide a simple list of only 'Reported Debtors' which was planned to be maintained centrally and accessible to all SLFFA members. The above initiative was further planned to be backed with developments made through to the existing web application and was to be launched by October 2021.

However, the New sub committee has taken a further step ahead in analyzing and developing the most practical mechanism to enable any member in identifying a customer who has unpaid debts to other members of SLFFA, and thereafter identify and manage the risks of doing business with such a customer/s.

In establishing a system that will require every member of SLFFA to disclose to SLFFA the identities of its bad debtors with a view to enabling SLFFA to place such identities on a database which can be checked by all SLFFA members prior to doing business with a new customer.

More so considering most importantly of the legal risks and liabilities that may arise in making such a system available to its members and assess in all ways to avoid and minimise all risks and liabilities involved and to create a system of recording, verifying, reporting 'bad debtors', introduce any appropriate T&Cs to the SLFFA membership and give notice of the risks associated with publication to the members.

LIABILITY INSURANCE REVIEW

The legal sub committee with the consent of ExCo obtained 3 new quotations and proposals for year 2022/2023 with the view of securing better benefits for the membership. The 3 companies are Fair first, HNB Assurance & People's Insurance and even at present these parties are handling a very minor portion of the insurance portfolios of some members of SLFFA. The selections criteria were based on a scenario-based questionnaire proposed by insurance /legal experts of the sub committee by basing most

Sub Committee Reports

Legal & Insurance Assistance (Freight Forwarders’ Liability Insurance)

practical situations frequently faced by the membership on their claims.

The sub committee also reviewed and evaluated the ongoing agreement pertaining to the ‘Liability Insurance cover’ currently contracted with Allianz Insurance, on the same basis of the scenario based questionnaire that were proposed to the new service providers.

The sub committee on the direction of SLFFA has negotiated” terms” in mutually benefitting with either of the insurance partners teaming with SLFFA, based on the number of member companies that obtain Freight Forwarders Liability insurance covers during 2022/2023. It is expected that this initiative will generate substantial revenue for the association and the sub committee will engage sharing the membership details with all three insurance companies to promote their offers and enabling the members to partner with the best option based on their requirements in securing the desired benefits.

In the perspective of creating awareness among SLFFA membership, an effective initiation will be taken by SLFFA to organize information sessions for all three rather than 3 new insurance partners and existing partner Allianz Insurance in introducing and educating the members about the benefits of the proposed policies and help them make the required transition subject to post renewal of policies effective September 2022.

Sub Committee Reports

Publicity, Social Affairs, Website, CSR & Digital Media



Mr. Shavindra Dias
Chairman



Mr. Sujan Malawana
Dep. Chairman



Mr. Thushan Jayaratne
Member



Ms. Nuwanthi Upeksha
Member



Ms. Aindreenie Ranmuthugala
Member



Ms. Patali Karunaratne
Member



Mr. Jonathan Suppiah
Member



Mr. Harin Kulasekera
Member



Mr. Isuru Adikari
Member



Mr. Navin Perera
Member

SOCIAL ACTIVITIES

The Publicity sub committee was unable to carry out activities as anticipated due to the lingering pandemic conditions of the country and the financial crisis faced.

SLFFA Annual General Meeting

The SLFFA virtually convened its 40th Annual General Meeting for the first time on 24th September 2021. The online event was attracted by a large audience.

National Logistics Awards

To coincide with its 40th anniversary, the SLFFA conducted the inaugural National Logistics Awards (NLA) on 23rd March 2022 at The Shangri-La Hotel, Colombo. The ceremony was graced by the Hon. Prime Minister of Sri Lanka Mr. Mahinda Rajapakse and High Commissioner of India to Sri Lanka Mr. Gopal Baglay.

The event was designed to recognize the top logisticians and related service providers, and appreciate their dedicated service to the economy. During the tumultuous year of 2020, the importance and indispensability of the logistics industry was understood across the world. For years the silent endeavors of logisticians went unnoticed, but with the introduction of NLA, there was and will in future, have a common platform for all segments within the industry to shine.

NLA’s primary objective was the upliftment of standards and service levels across all logistics service providers by making each market player more accountable. This would provide all logisticians a fair and equal opportunity to display their forte and prove their contributions to the industry, which will help those who are top performers to win the confidence of their customers and encourage others to move up to the top tiers.

By way of NLA, a window was created for due recognition to be granted to the industry and going forward, it is expected that more attention would be forthcoming from the authorities and regulators as well.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The SLFFA has been involved in various CSR projects over the past several years by contributing to the welfare of the Lady Ridgeway Hospital (LRH) for children with several donations, in recognition of the excellent medical care provided to the future generation of the country by LRH.

Furthermore, the SLFFA has been focusing its CSR initiatives by providing valuable assistance to the LRH through its fund raising activities since 2012. To-date SLFFA has donated over 6 Million Rupees worth of equipment for various projects undertaken by the Association. However, SLFFA was unable to continue its CSR initiatives in 2020/21 due to the COVID-19 pandemic which prevented the fund raising activities of the Association.

The SLFFA is eager to carry on with the CSR projects with LRH despite the country’s current economic and social crisis. The subcommittee looks forward to organise the following events for this year and during 2023;

- SLFFA Members Night.
- SLFFA Annual Cricket 6’s.
- SLFFA Annual Dance.
- SLFFA Annual General Meeting.
- National Logistic Awards.

Other Key Events

National Logistics Award

National Logistics Awards Press Conference



NLA Workshop

NATIONAL LOGISTICS AWARDS 2021

www.slffa.com

Applicant Workshop

**10th August 2021
11:30 a.m.
MS Teams Virtual Meeting**

Discussion Points

- The importance of Industry Awards.
- The Journey of preparing an awards submission.
- The importance of Teamwork.
- Compiling Applications as per the guidelines.
- Self-evaluation and benchmarking on-the-go.
- Why submitting is also winning.
- Confidentiality of the information submitted.
- Applicant Q&A session.

The National Logistics Awards aspires to be the leading awards ceremony in the logistics industry by showcasing the dynamic performers within its key sectors. Industry awards help elevate the image of brands and companies, brings them well-deserved recognition and positions them as competent industry stakeholders, leading to potential acquisition of new customers. As a value addition, collating and compiling an awards application is in itself, an excellent mode of self-evaluation and offers insights which can help when reviewing performance.

NATIONAL LOGISTICS AWARDS 2021

www.slffa.com

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National Logistics Awards by SLFFA

**Freight Forwarders
Airlines
Ocean Carriers
Custom House Brokers
Courier & Express Carriers
Warehouse Operators**

APPLY NOW!

DEADLINE: 17 NOVEMBER

The Sri Lanka Logistics and Freight Forwarders Association (SLFFA), commemorating its 40th year, inaugurated the National Logistics Awards (NLA), a biennial event aimed at highlighting the importance of the logistics industry and to recognise and reward its top performers.

The National Logistics Awards aspires to:

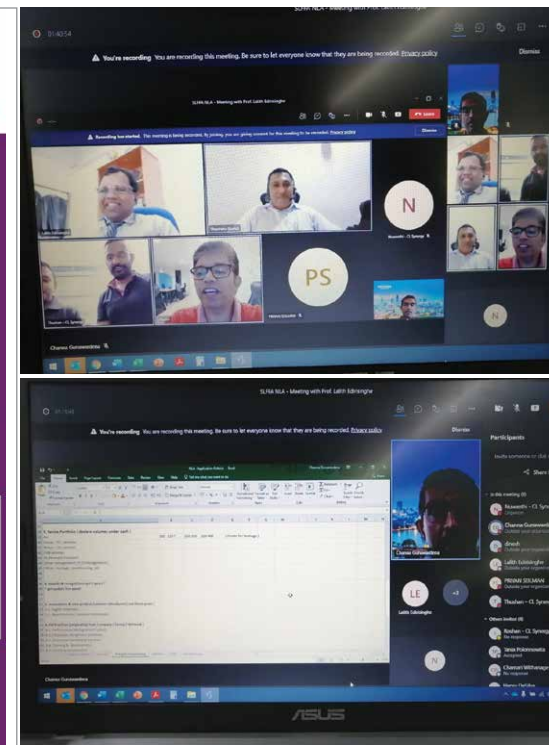
- Uplift the service levels and standards across all Logistics service providers.
- Make each industry stakeholder more accountable.
- Improve the image, visibility and overall recognition of the Logistics industry.
- Position Logistics as a Colourful and vibrant industry in order to attract Dynamic talent and thinking.
- Inspire industry stakeholders to add value to and provide Superior levels of service to both B2B and B2C customers.
- Advocate for support from industry authorities and regulators.

For further information on the event or sponsorship opportunities:

Shavindra Dias 0710 666078 (shavindra@forewaylogistics.com)

Navin Perera 0777 776568 (navin.perera@gac.com)

Manjula Maldeniyra 0772 365887 (manager@slffa.com)



National Logistics Awards 2022



NLA newspaper and other media supplements



Other Key Events

SLFFA AGM 2021



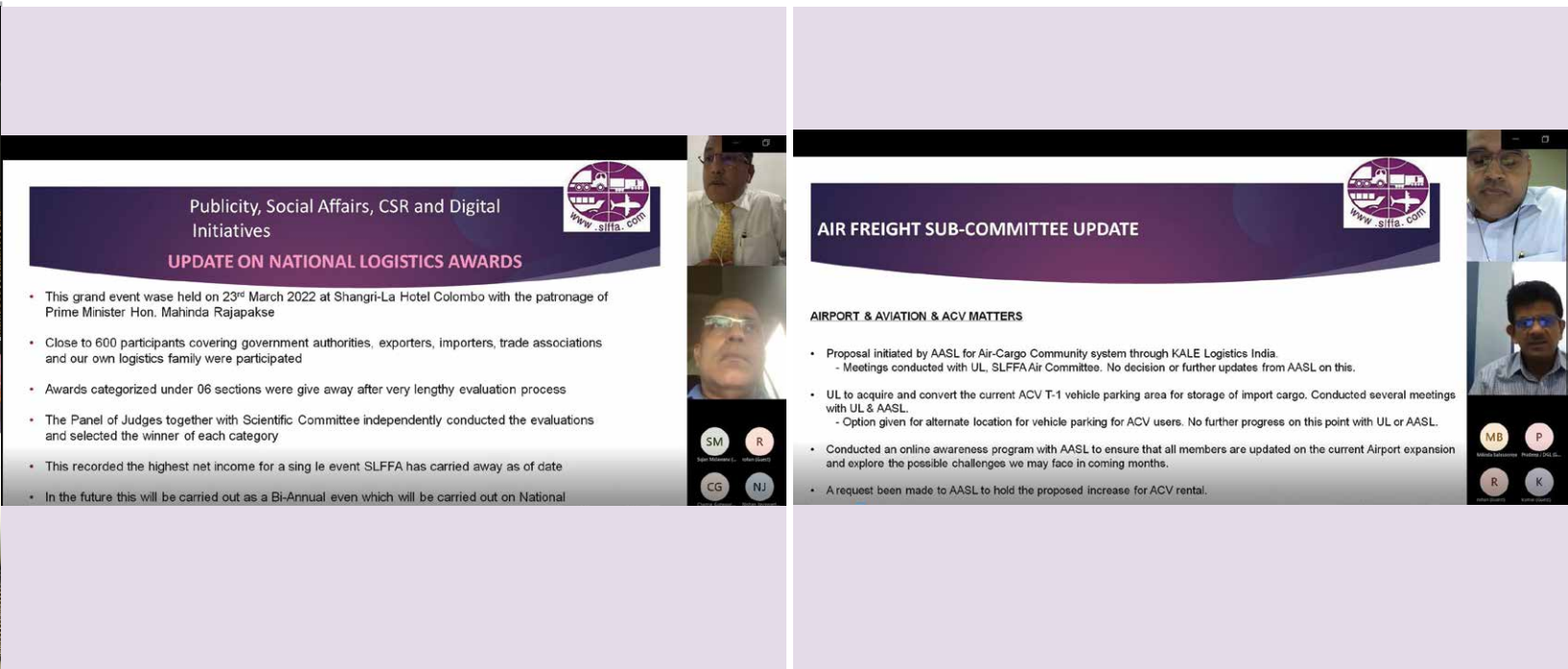
SLFFA Coffee Table Book Launch



DGR Training Sessions



SLFFA General Membership Meeting 2022



Other Key Events

AITT Convocation 2022



SLFFA signs MOU with Youngship



Global Logistics Report

Global supply chain disruptions, port congestion, capacity shortages, increasing ocean freight rates and an ongoing pandemic have challenged shippers, ports, carriers and logistics providers during the past year.

Looking ahead in 2022, experts estimate that the pressure on global supply chains will continue—and the light at the end of the tunnel is not to be expected until the second half of the year at the earliest.

Above all, the consensus is that pressure on the ocean freight market will continue in 2022, and freight rates are unlikely to fall back to pre-COVID levels. Capacity problems and congestion in the ports will continue to combine with strong global demand in the consumer goods sector. In the meantime, the ongoing pandemic has prompted logjams at leading ports on the U.S. West Coast and in China, meaning that hundreds of container vessels are waiting at sea for a berth. At the beginning of this year, Maersk warned its customers that the waiting time for container vessels to discharge or pick up cargoes at the Port of Long Beach near Los Angeles is between 38 days and 45 days, and that it's expected that the constraints will continue. Looking to China, fears are growing that recent Omicron breakouts will lead to further port shutdowns. As reported by the state broadcaster CCTV in January, the port of Tianjin was locked down after the local outbreak of Omicron—less than a month before the start of the winter Olympics in nearby Beijing. Chinese authorities temporarily locked down the ports of Yantian and Ningbo last year. The restrictions resulted in delays for truck drivers moving loaded and empty containers between factories and the port, and the interruptions in production and transportation caused delays in exporting and returning empty containers to factories overseas.

In Europe's largest seaport, the Port of Rotterdam, congestion is seen as persisting through 2022 as well. Although vessels are not currently waiting outside Rotterdam, storage capacities are limited and the European hinterland connections are not running smoothly. "In 2022 we expect the extreme congestion at the Rotterdam container terminals to continue for the time being," says Emile Hoogsteden, commercial director at the Port of Rotterdam Authority. "This is because the international container ship fleet and terminal capacity are not growing at a rate commensurate with demand." Nevertheless, in December 2021, the port announced that its transshipment volume surpassed 15 million twenty-foot equivalent unit (TEU) containers for the first time. "In the Port of Hamburg operations are running normally at its multi-purpose and bulk cargo terminals and the container terminal operators are offering 24/7 service," says Axel Mattern,

CEO of Port of Hamburg Marketing. "The port's main players are making great efforts to eliminate bottlenecks and delays as rapidly as possible." Late ship arrivals, which the Port of Hamburg can't influence, are causing export containers to pile up in the port's terminals at times. The terminals, forwarders and shipping companies involved are aware of their responsibility for smooth operations and are working within the bounds of the possible on solutions.

GOOD TIMES FOR CARRIERS

While shippers were under pressure, 2021 was a prosperous year for container carriers. According to a forecast by the shipping intelligence provider Alphaliner, the 10 leading publicly listed container shipping lines are on track to earn a record \$115 billion to \$120 billion profit in 2021. This is a windfall that could transform the structure of the industry as those earnings are reinvested, stated Alphaliner analysts last month.

The sector has also benefited from the fast recovery of production in Asia and strong demand in Europe and the United States. Ocean freight rates nearly doubled last year due to shortages in container capacity, and early forecasts indicate that the rates are likely to reach much higher levels in 2022. Data analysts at Xeneta are reporting that the first contracts for 2022 are reflecting record-high levels ahead. "When will it end?" asks Xeneta's CEO Patrik Berglund. "Shippers hoping for some much-needed rate relief have been left punch-drunk by another round of hefty blows to bottom-line costs. The continued perfect storm of high demand, maxed-out capacity, port congestion, changing consumer habits, and general supply chain disruption is fueling a rates explosion that, quite frankly, we've never seen the likes of."

There was also a change at the top of the world's leading container carrier ranking. In its January global ocean fleet statistics, Alphaliner reported that Mediterranean Shipping Company (MSC) has surpassed Maersk as the world's biggest container line. MSC now operates a fleet of 645 container ships with a total capacity of 4,284,728 TEU compared to Maersk's 4,282,840 TEU (736 ships) and slipped into the pole position with almost 2,000 more. Both companies hold global market shares of 17%.. French carrier CMA CGM, with a capacity of 3,166,621 TEU, has taken back its No. 3 position from COSCO (2,932,779 TEU), now No. 4, followed by Hapag-Lloyd (1,745,032 TEU), the new No. 5. However, the loss of the top position does not seem to be a big problem for Maersk's CEO Søren Skou. In a statement issued last year, Skou said that "our goal isn't to be No. 1. Our goal is to do a good job for our customers, delivering strong returns, and not the least to be a decent company for all other stakeholders doing business

Global Logistics Report

with Maersk.” He also mentioned that the company is strongly focusing on expanding its logistics capabilities, where profit margins are bigger.

GLOBAL PLAYERS EXPANDING

Pursuing that goal, in December Maersk announced the acquisition of Hong Kong-based LF Logistics to expand its coverage and logistics capabilities in the Asia Pacific region. The \$3.6 billion, all cash deal was one of the largest takeovers in the company’s history and there was another big deal announced this month by Singapore-baed PSA International Pte Ltd (PSA). The port group has signed an agreement to acquire 100% of the shares of privately held BDP International, Inc. (BDP) from the New York-based private equity firm Greenbriar Equity Group, L.P. (Greenbriar). BDP, based in Philadelphia, is a provider of global integrated supply chain, transportation and logistics solutions. With 133 offices worldwide, it specializes in the management of highly complex supply chains and high care logistics and innovative visibility solutions.

According to Tan Chong Meng, group CEO of PSA International, “BDP will be PSA’s first major acquisition of this nature—a global integrated supply chain and transportation solutions provider with end-to-end logistics capabilities. Its strengths will complement and extend PSA’s capabilities to provide agile, resilient and innovative cargo solutions. Customers will be able to benefit from the extensive capabilities of both BDP and PSA, while accelerating their shift toward sustainable supply chains.” The transaction is subject to formal approval by the relevant authorities and other customary closing conditions.

NEW GIANT ON THE HORIZON

In December, the launch of a new Chinese logistics giant called “China Logistics Group” attracted big attention. According to the news agency Reuters and the Chinese state-owned broadcaster CCTV, the new company, with a charter capital of about \$4.7 billion, is a merger of the five state-owned companies, including China Railway Materials; China National Materials Storage and Transportation Group; Huamao International Freight Limited Company Shenzhen Branch; China Logistics; and China National Packaging Corporation. The State Asset Supervision and Administration Commission (SASAC) and state investment company China Chengtong each own 38.9%. Strategic investors include China Eastern Airlines, COSCO Shipping, and China Merchants Group, which will respectively hold shares of 10%, 7.3%, and 4.9%. The new logistics group will provide a wide range of logistics services, including warehousing, distribution, packaging, intermodal transportation, and cross-border e-commerce. It currently owns 120 specialized

railway lines, with routes connecting Asia and Europe, and it also has 42 warehouses and other storage facilities covering 4.95-million square meters as well as a transportation network that currently covers 30 Chinese provinces and has a presence in five continents, according to CCTV. With the new logistics group, China will strengthen its cross-border logistics business and intermodal transportation services. The move also reflects that China is going to compete with the existing global logistics players—who will most certainly be keeping a close eye on the development.

FORWARDERS ADD TRANSPORT CAPACITIES

In response to ongoing demand for increased transport capacity, international freight forwarders have launched new services between Europe, the United States and Asia. In 2021, after the French logistics provider GEODIS chartered its first vessel to alleviate container capacity shortage on its Asia-Europe routes, the company has launched its own-leased A330-300 full freighter aircraft under its brand name to upgrade its AirDirect services between Europe, the United States and Asia. Operating between Amsterdam, London, Chicago and Hong Kong, the aircraft also serves the China-Europe route for the peak season. “With the continued strain on airfreight capacity, we wish to ensure a more sustainable supply of air cargo space for our clients and are therefore investing in this, our own, first dedicated freighter,” says Marie-Christine Lombard, GEODIS’s CEO. That the provision of self-controlled airfreight services with own-leased aircraft pays off has been also been proven by DACHSER USA, a subsidiary of the global logistics provider Dachser. Since starting its weekly trans-Atlantic freight service between Frankfurt and Chicago in 2020, it has grown with more than 85% of its U.S. customers utilizing this service between Europe and the United States more than once. “It has proven to be such a dependable, efficient solution that this route has become a cornerstone in our global air freight services network,” says Andy Frommenwiler, Vice President, air freight, USA at DACHSER.

AIRFREIGHT SUFFERS FROM STRAIN

The strained supply chains in the wake of the pandemic are also increasingly affecting airfreight growth. The International Air Transport Association (IATA) released data for global air cargo markets showing slower growth in November 2021. Supply chain disruptions and capacity constraints affected demand, despite economic conditions remaining favorable for the sector. Because the impact of COVID-19 distorts comparisons between monthly results in 2021 and 2020, comparisons were made to November 2019, which followed a normal demand pattern. According to IATA, global demand, measured in cargo ton-kilometers (CTKs), was up 3.7% compared to November 2019 (4.2% for

international operations). This was significantly lower than the 8.2% growth seen in October 2021 (2% for international operations) and in previous months. Although economic conditions continue to support air cargo growth, supply chain disruptions are slowing growth due to labor shortages, partly due to employees being in quarantine, insufficient storage space at some airports and processing backlogs exacerbated by the year-end rush. Several key airports, including New York’s JFK, Los Angeles and Amsterdam Schiphol reported congestion. However, retail sales in the United States and China remain strong. In the U.S., retail sales were 23.5% above November 2019 levels, and in China, online sales for Singles’ Day were 60.8% above their 2019 levels. In the North American region, air cargo growth continues to be driven by strong demand. Carriers there posted an 11.4% increase in international cargo volumes in November 2021 compared to November 2019. This was significantly below October’s performance (20.3%). Supply chain congestion at several key U.S. cargo hubs has affected growth. International capacity was down 0.1% from November 2019. European carriers saw a 0.3% increase in international cargo volumes in November 2021 compared to the same month in 2019, but this was a significant drop from October 2021 (7.1%). European carriers have been affected by supply chain congestion and localized capacity constraints. International capacity was down 9.9% in November 2021 compared to pre-crisis levels, and capacity on the key Europe-Asia route was down 7.3% during the same period. Asia-Pacific airlines saw their international air cargo volumes increase 5.2% in November 2021 over the same month in 2019—this was only slightly below the previous month’s 5.9% expansion. International capacity in the region eased slightly in November, down 9.5% compared to 2019.

LOTS OF WORK TO DO

It’s clear that the pandemic has exposed the vulnerability of global supply chains—a problem the logistics industry will continue to face this year. A high degree of flexibility and close cooperation between all parties in the supply chain is required to be well prepared to respond to the crisis and, hopefully, to a post-COVID era. Investments in transport infrastructure, such as those being made on a large scale in the United States, are helping to make ports and airports more efficient, while digitalization and automation are important to optimize logistics processes further. Not to be forgotten, however, is the human factor. The shortage of labor—not only among truck drivers—shows that efforts are still needed to maintain logistics supply chains. Restructuring supply chains to make them sustainable is yet another challenge. There remains much work to do for the logistics sector, which has certainly proven its ability to provide flexible and creative solutions.

NEW TRENDS

While business inventories dropped to near historic lows, costs associated with storing, handling and financing these items rose considerably. Overall, costs associated with storage, financial carrying costs and other costs (insurance, obsolescence, handling, etc.) jumped nearly 26% to \$501.3 billion. Beneath these numbers were several factors driving the steep increase in logistics costs. A big factor was the size of the North American warehousing market which is now estimated at \$80 billion—and growing double-digits annually. In an era of increased vendor lead times, uncertain supply and sharply rising customer expectations, shippers were “motivated” to rethink lean operations and keep more inventory on hand. “As a result, demand for warehousing space boomed in 2021,” says the authors. Net absorption—a standard measure of occupancy—rose 48%. Vacancy rates fell from 5.1% in 2020 to just 3.7% last year, and the market responded strongly to this hike in demand. Warehouse rents rose by 9.5% in 2021, nearly twice as fast as in 2020, while warehouse square footage under construction grew by 54% year-over-year. “Companies that long viewed warehousing as a sleepy backwater need to recognize it’s now an essential, strategic competency,” the report warns.

LOOKING AHEAD WITH AGILITY

Relative stability may or may not soon return. So, the logistics sector must invest now in controlling the factors it can, according to the report’s authors, who add that logistics must be permanently about embedding “resilience and agility” into its capabilities before shifting its focus back to cost minimization and efficiency. On the brighter side, the report is optimistic on inflation. It’s predicting overall inflation to peak this year at 4.3%, dropping to 2.7% in 2023. That’s one of the lowest predictions in that space. Technology, especially in parcel tracking and automation, is as always a huge expenditure for shippers seeking visibility and efficiencies in their freight. But shippers should be ready to make a deepening commitment to multi-shoring, or what the report calls “friend-shoring,” which may require greater long-range planning as companies coordinate a more complex array of transit modes and facilities. 2021 was what the report called “a flush year” for the logistics sector—but also a deeply unsettled and trying one. To get back in sync and return to a more balanced long-term growth trajectory, logisticians need to invest in the ideas and capabilities that will make the industry more resilient—come what may. Still, shippers should get used to higher rates.

SLFFA Cargo Services Limited



SLFFA Cargo Services Ltd(SLFFACSL) stepped into its 28th year of operations at BIA with pride, however our performance this year has been a mixed bag of results due to various factors which are explained in this report. SLFFACSL can be content about fact that it was able to increase volumes and turnover marginally with a satisfactory effort by all staff, though profits dipped during the year under review due to the current bleak economic conditions facing the nation.

During the period under review, a substantial part of cargo handled once again has comprised general cargo followed by fabrics and accessories for the garment industry. Going forward, SLFFACSL will need the continued support on the part of shareholders, who own the Company to transfer all their consolidated cargo to SLFFACSL, and look forward to increased patronage from other members of SLFFA, particularly as our feedback from customers is that SLFFACSL provides an efficient and fast service. Towards this goal, SLFFACSL has revised the tariff to compete effectively with SriLankan Cargo.

The total turnover of the Company has increased by 13% from Rs.285.97 M in the previous year to Rs.324.11 M this year. While the Company was able to increase turnover and Gross Profit marginally, there has been a substantial drop in Nett Profit this

year, owing mainly to the concessions granted in rent due to COVID-19, being withdrawn by Airport and Aviation Services Limited (AASL). However, the Company was able to minimize the losses with a determined effort by all staff coupled with a cost cutting drive. The Gross Profit of the Company has marginally increased by 2% from Rs.162.05 M in the previous year to Rs. 164.82 M this year.

The Administration and Establishment costs have increased substantially to Rs.103.29 M this year representing 23%, due to the special allowance paid as stated above. The wages paid to staff below Executive level have increased by 22% and this year, it represents 25%, whilst the salaries of Executive level and above have increased by 12% this year and represents 10%. The Rent expenses have increased by 47% this year representing 28%, owing to the lifting of the special concession granted by AASL during the height of the COVID-19 pandemic.

The Company has succeeded in maintaining maximum efficiency levels inspite of lean management measures undertaken. The staff turnaround for the year has increased to 33%, compared with 16% in the previous year. The turnaround was particularly from outsourced staff with Cargo Assistants and Loader categories. The main factor for the high staff turnover this year

has been the difficulties in coping with the instability in the country and related issues in reporting to work at the Airport. We have continued to adopt measures to improve HR practices with regular on-the-job training and staff promotions based on merit, loyalty and efficiency.

The induction of new staff with no experience is being managed with continuous in-house training of the staff in basic cargo handling skills to ensure compliance with the SLFFACSL Operations Manual. The training sessions conducted in fire-fighting skills and first-aid was provided by AASL. Participation in other training courses and the annual year-end staff get-together were canceled due to the lingering pandemic conditions.

Efforts are continuing to work with Customs to enable e-Manifesting facilities to be made available and to automate clearance of cargo from Terminal 2 itself. Customs efforts to automate manifest submission for import air cargo have been delayed due to internal and pandemic effects.

The Board of Directors continue to engage with the authorities concerned for handling of import group age consolidated sea cargo including transshipment as well as multi-country consolidation cargo within and outside the Port. Towards this end, the Board of Directors are working on plans to operate a fully-fledged Cargo Handling Terminal (CHT). This facility is expected to enhance the throughput of inbound and outbound logistics of ocean cargo in Sri Lanka. While accruing many benefits to the importers and exporters in the country, it is expected to enhance significantly, the international competitiveness of local exports and enhance our country's position as a regional distribution and logistics hub.

Despite all these developments the quality of services provided to inbound de-consolidators in respect LCL/FCL groupage and MCC/transshipment services continued to be a huge challenge. Further the cost impact on de-consolidators appear to have increased with cost the recovery mechanism being strongly resisted by the trade. Consequently the need for SLFFACSL to commence the off-Port project referred to above has been heightened. The Board of Directors of SLFFACSL are mindful of this and are doing everything possible to positively respond to this important industry need.

Satisfactory progress has been made in its partnership with CCN Singapore with regard to offering Cargo Community Systems (CCS) services to the air cargo community in Sri Lanka. Currently, this industry initiative has progressed well, with over 40 leading Freight Forwarders, 8 leading Airlines and 3 GSAs successfully executing E-AWBs via CCNhub. With the momentum provided by the Civil Aviation Authority of Sri Lanka(CAASL) given to the industry to fall in line by end of last year, a tremendous surge was observed by agents and airlines to fall in line. We would like to see a determined effort by all stakeholders of the industry to move towards automation in a paper-less environment, whilst CCN is the only service provider currently in the market, offering its reliable and value added services through SLFFACSL in Sri Lanka.

SLFFACSL is closely monitoring the moves to privatise SriLankan Airlines and its impact on the Aircargo industry particularly in relation to the monopoly position of ground handling services hitherto enjoyed by them. The reality is that SLFFACSL is defacto, an important business partner of SriLankan Airlines and consequently any changes to the ownership/management of SriLankan Airlines would need to be reviewed from this perspective holding out both potential opportunities /threats, which will need to be well managed.

Member Directory

SLFFA MEMBER COMPANY		ADDRESS	TELEPHONE
1	20 Cube Logistics (Pvt) Ltd	4A Ohlums Place, Colombo 08	5303030
2	Abanchy Ceylon (Pvt) Ltd	51/A Dharmapala Mawatha, Colombo 03	112307007
3	Abans Logistics (Pvt) Ltd	115/9A Cotta Road , Rajagiriya	115775905/ 4963818
4	ABC Freight Services (Pvt) Ltd	"ABC Court", No. 117, Hunupitiya Lake Road, Colombo 02	112078757
5	ACE Cargo (Pvt) Ltd	315, Vauxhall Street, Colombo 02	2446692, 2308005
6	ACE Distriparks (Pvt) Ltd	775/5, Negombo Road, Mabole, Wattala	2944500
7	Advantis Freight (Pvt) Ltd	"Thurburn Wing" 400 Deans Road, Colombo 10	2167777 / 2167705
8	Agility Logistics (Pvt) Ltd	2nd Floor, Sayuru Sevana Bldg, Nawam Mawatha, Colombo 2	2167400, 4703201
9	Air Marine Logistics (Pvt) Ltd	No. 171 - 1/3, Kynsey Road, Colombo 08	4655000
10	Airsea Worldwide (Pvt) Ltd	No. 171 - 1/5, Kynsey Road, Colombo 08	11 2682193
11	Aitken Spence Cargo (Pvt) Ltd	315 Vauxhall Street, Colombo 02	11-2308330
12	Aitken Spence Shipping Ltd	2nd Floor Aitken Spence Tower II, 315 Vauxhall Street Colombo	2308100 ext. 3730 2308135(D)
13	APL Logistics Lanka Freight Forwarding (Pvt) Ltd	#8, 3/3, York Arcade Bldg, Leyden Bastian Road, Colombo 1	2031500
14	APS Logistics International (Pvt) Ltd	77 Park Street, Colombo 02	112128400
15	Aramex Freight Corporation Lanka (Pvt.) Ltd	745/50 & 745/50 1/1, Dr. Danister De Silva Mawatha Colombo 09	4728100
16	ASB Freight (Pvt) Ltd	255/2 Kirula Road, colombo 5	5111806
17	Asia Pacific Logistics International (Pvt) Ltd	No 157, 3/2, (3rd Floor), Dharmapala Mawatha, Colombo 7	4722250 –9
18	ASL Logistics (Pvt) Ltd	45, Ground Floor, Lukmanjee Square, Grandpass road, Colombo 14	
19	Benchmark Logistics International (Pvt) Ltd	No. 35, Temple Road, Colombo 10	0112681011-16
20	BISELKO International (Pvt) Ltd	151, 2nd Floor, Galle Road, Colombo 03	112303423
21	Bollore Logistics Lanka (Pvt) Ltd	Level 3, Setmil Maritime Centre, No. 256, Srimath Ramanathan Mw, Colombo 15	4705900
22	Bridges Worldwide (Pvt) Ltd	66, Vivekananda Hills, Colombo 13	117761700
23	C F Global Lanka (Pvt) Ltd	10, 1st Floor, Prince Alfred Towers, Alfred House Gardens, Colombo 03	0112553771-2
24	C.H. Robinson Freight Services Lanka (Pvt) Ltd	193, 6th floor, Dr. Danister De Silva Mawatha, Colombo 08.	2553396
25	C.H. Robinson Worldwide Freight Lanka (Pvt) Ltd	347/1 3rd Floor, Dr. Colvin R De Silva Mawatha, Colombo 02	
26	Cargo Boat Co. Ltd	64A Vivekananda Hill, Colombo 13	2422241 / 5554600
27	Cargo Worldwide Lanka (Pvt) Ltd	5, Alwis Place, Colombo 03	
28	Cargomate (Pvt) Ltd	No. 116/3, Havelock Road,Colombo 05.	112555654
29	Cargoplan International (Pvt) Ltd	Access Tower, Level 6, 278 Union Place, Colombo 02.	2305476 / 2304720
30	Cargoserv Shipping Ltd	No 1, Alfred House Avenue, Colombo 3	011-4522000 / 011-4511012

SLFFA MEMBER COMPANY		ADDRESS	TELEPHONE
31	Ceva Logistics Lanka (Pvt) Ltd	DHL Logistics Park, 81/3, Negombo Road, Peliyagoda	112167800
32	CL Synergy Ltd	No. 30, 6th Floor, R. A. De Mel Mawatha, Colombo 3	5300250
33	Clarion Logistics (Pvt) Ltd	No. 88, Level 3, Justice Akbar Mawatha, Colombo 02	5877050
34	Colombo Logistics World (Pvt) Limited	63/1 Ward Place Colombo 07	777760722
35	Crown City Developers (Pvt) Ltd	115/9A Cotta Road , Rajagiriya	
36	CWT Globelink Colombo (Pte.) Ltd	2nd Floor, Forbes & Walker Building, 46/38, Nawam Mawatha, Colombo 02	4723588
37	D. B. S. Logistics Limited	Level 2, Prince Alfred Tower, No. 10 Alfred House Gardens, Colombo 03	7557000
38	Dart Global Logistics (Pvt) Ltd	260, Sri Ramanathan Mawatha, Colombo 15	4609600 4609660
39	Dellogistics (Pvt) Ltd	30/44 Logdon Place, Colombo 7	5850716
40	Dellogistics International (Pvt) Ltd	No. 68 Davidson Road, Colombo 4	2685364
41	DelShipping and Logistics (Pvt) Ltd	101, Vinayalankara Mawatha, Colombo 1	117729570
42	DHL Global Forwarding Lanka (Pvt) Ltd	DHL Logistics Park, 81/3, Negombo Road, Peliyagoda	7321321 ext.1255
43	Dinlanka Logistics (Pvt) Ltd	No. 320/7 - 1/2 Galle Road, Kollupitiya, Colombo 03	2370909
44	DLR SCS Lanka (Pvt) Ltd	No. 23, Alakeshwara Road, Ethul Kotte	2327161
45	DP Logistics (Pvt) Ltd	941, Pannipitiya Road, Pelawatta	114723946
46	DRH Logistics Lanka (Pvt) Ltd	No. 7, Galle Face Terrace, Colombo 03	5371000
47	DSV Pership (Pvt) Ltd	Rainbow Business Centre, Level 3, 135, Bauddhaloka Mawatha, Colombo 4	2597973-7
48	DWW Logistics Lanka (Pvt) Ltd	45, Ground Floor, Lukmanjee Square, Grandpass road, Colombo 14	112327188
49	Eagle Logistics Colombo (Pvt) Ltd	281/1 – 1, R.A. De Mel Mawatha, Colombo 03.	5422000
50	Emerald Shipping Line Co. (Pvt) Ltd	259, Biyagama Road, Peliyagoda	112011337
51	EMG Logistics (Pvt) Ltd	417, Kandy road, Peliyagoda	
52	Euro Asia Freight (Pvt) Ltd	51/2, Ananda Coomaraswamy Mawatha, Colombo 7	2574622
53	Eurotrans Express (Pvt.) Ltd	5/1 A Araliya Garden Nawala, Rajagiriya	5512577
54	ExpeLogix (Pvt) Ltd	04th Floor, "Sayuru Sevana", 46/12 Nawam Mawatha, Colombo 2	7400500
55	Expolanka Freight (Pvt) Ltd	No. 10, Mile Post Avenue, Colombo 03.	4791000
56	Famous Pacific Shipping Lanka	07, Cambrige Terrace, Colombo 07	2663700-9 2689515 (D)
57	Fast Transit Logistics (Pvt) Ltd	153, Dharmapala Mawatha, Col-7	2381231-5, 2381230
58	Fits Express (Pvt) Ltd	No. 85 B, Dharmapala Mawatha, Colombo 07	114414000
59	Foreway Logistics (Pvt) Ltd	No. 19A, Unity Place, Colombo 03	5219156-7
60	Fortiz Logistics International (Pvt) Ltd	36, Sir Razik Fareed Mawatha, Colombo 01	112327188
61	Forwardair (Pvt.) Ltd	67/1, Hudson Road, Colombo 3	2426655 / 4766455
62	Freight Line International (Pvt) Ltd	No. 465/3 K Cyril C Perera Mawatha, Colombo 13	4621400
63	Freight Links International (Pvt) Ltd	Level 7, Access Towers, 278 Union Place, Colombo 2	2302402 / 2302401
64	Freight Masters International (Pvt) Ltd	21, Palm Grove, Colombo 03.	2370856 / 7395200
65	Freight Systems Lanka (Pvt) Ltd	2nd Floor, 525 Union Place, Colombo 02.	2692290-3

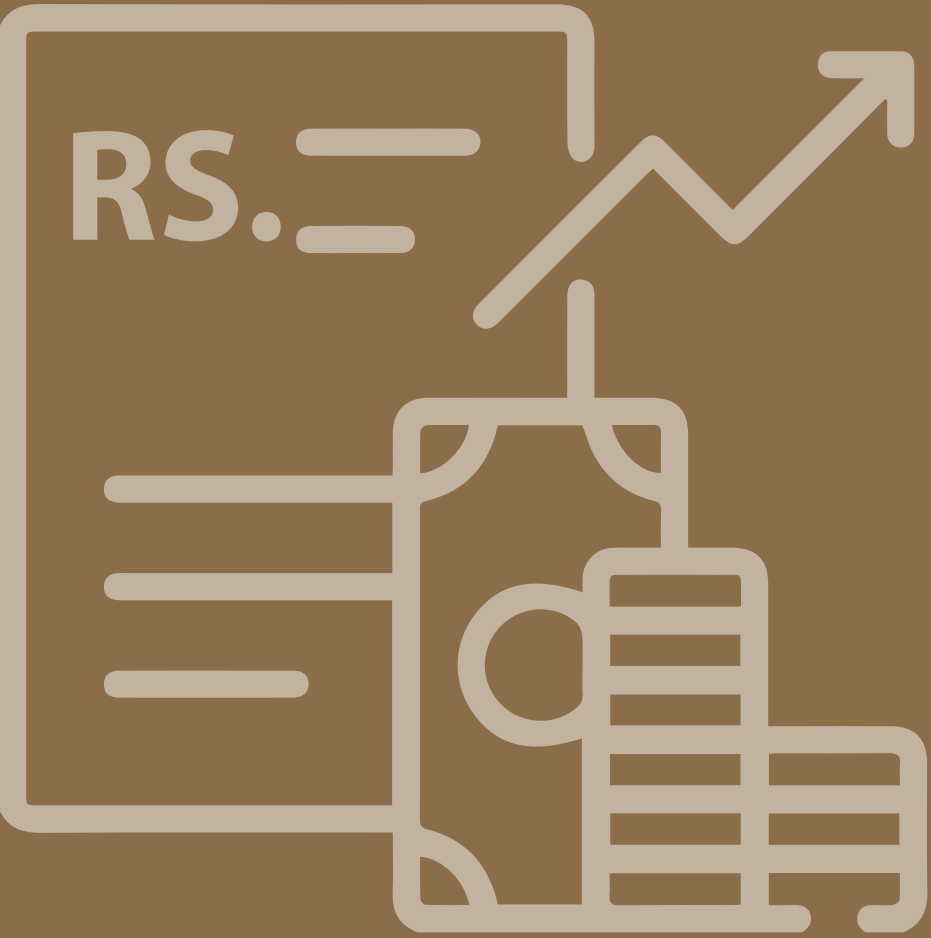
Member Directory

	SLFFA MEMBER COMPANY	ADDRESS	TELEPHONE
66	Freightplan (Pvt.) Ltd	07, Cambrige Terrace, Colombo 07	2689515 (D)
67	Frontier Freight Lanka (Pvt) Ltd	No. 152/2, Mabima Road, Heyantuduwa, Sapugaskanda	05230462 / 2337357
68	Future Logistics Lanka (Pvt) Ltd	32, Joseph Lane,Colombo 04.	112587668
69	GAC Logistics Limited	No. 284, Vauxhall Street, Col- 02	4797900
70	Globactive Logistics (Pvt) Ltd	57/01, K B Christy Perera Mawatha, Colombo 13	4848141
71	Global Freight Management (Pvt) Ltd	N.D.H. Abdul Caffoor Bldg, No. 40 Church Street, Colombo 01	2434500
72	Great Eastern Logistics (Pvt) Ltd	349 2/1 Cotta Road, Rajagiriya	112877395
73	GTG Global Logistics (Pvt) Ltd	70-1/12, Lucky Plaza, St.Anthony’s Mawatha, Colombo 3	112 372 554
74	Harrisons Shipping (Pvt) Ltd	330 T. B. Jayah Mawatha, Col- 10	2687656
75	Hellmann Worldwide Logistics (Pvt) Ltd	50/25 A, Sir James Peiris Mawatha, Colombo 02	2316700-30 2303388(D)
76	Horizon Freight Concept (Pvt) Ltd	No. 10/1, Ruhunukala Mawatha, Colombo 08	0117696020/25
77	HTL Logistics (Pvt) Ltd	4th Floor, 302, Galle Road, Colombo 04	2546941, 5831313
78	Inter Air & Sea Logistics (Pvt) Ltd	5th floor, No. 77 Park Street, Colombo 02	
79	Interfresh Logistics (Pvt) Ltd	Level 7, Access Towers, 278 Union Place, Colombo 2	4381828
80	Interglobe Freight Solutions (Pvt) Ltd	281 1/1 1st floor, R A De Mel Mawatha, Colombo 03	
81	JCILO Logistics (Pvt) Ltd	No. 658/78, Level 1, Mahawila Gardens, Dr. Danister De Silva Mawatha, Colombo 9	011-3100200
82	JST Maritime (Pvt) Ltd	353 A 4/4, R A De Mel Mawatha, Colombo 03	0112372568/70
83	Kerry Logistics Lanka (Pvt) Ltd	5th Floor No. 77, Park Street, Colombo 02	773136428
84	Kingslog Supply Solutions (Pvt) Ltd	No. 248 Thimbirigasyaya Road, Colombo 5	4063307/7
85	Kintetsu World Express Lanka (Pvt) Ltd	28/1 Bullers Lane, Colombo 7	4714797/98
86	Kuehne and Nagel (Pvt) Ltd	Rotunda Towers, 1st Floor, 109, Galle Road, Colombo 3	5400600
87	Laksiri International Freight Forwarders (Pvt) Ltd	31, St. Anthony’s Mawatha, Colombo 03	2574180 / 4722800
88	Lanka Shipping & Logistics (Pvt) Ltd	No. 99, St. Micheal's Road, Colombo 03	4681700 / 4681907 (Dir)
89	Lovikta Logistics (Pvt) Ltd	No. 18 Boyde Place, Colombo 03	5 219 156
90	M&M Militzer & Muench (Pvt) Ltd	No. 3, 1/1, Buchanan Street, Colombo 04	0112580971-3
91	MAC G F Lanka (Pvt) Ltd	4th Floor, Access Tower, 278, Union Place, Colombo 02	2309151 Dir 2309150
92	MAC Supply Chain Solutions (Pvt.) Ltd	"The Waver Tree" 141/9 Vauxhall Street, Colombo 02	2309200
93	Mack International Freight (Pvt) Ltd	11, York Street, Colombo 01	7671671
94	Maersk Lanka (Pvt) Ltd	Level 16, "Parkland", 33 Park Street, Colombo 2	4794800 / 114794834/ 720109420 Dir.
95	Marine Transport Services (Pvt) Ltd	156, Walukarama Road, Colombo 03	5221221
96	McCallum Cargo (Pvt) Ltd	100/9 3rd Floor, Independence Avenue, Colombo 7	5561000
97	MCS Logistics International (Pvt) Ltd	No. 07, Hunupitiya Cross Road, Colombo 02.	4721062-6

	SLFFA MEMBER COMPANY	ADDRESS	TELEPHONE
98	Mega Trend Lanka (Pvt) Ltd	73/1, Ward Place, Colombo 07	2687868
99	Mercantile Freight Services (Pvt) Ltd	27 Palm Grove, Colombo 03	2575727, 2575703-4
100	Metro International Asia (Pte) Ltd	105, Level 3, Hunupitiya Lake Road, Colombo 02	4360203-7
101	MIT Cargo (Pvt) Ltd	400, Deans Road, Colombo 10	2167200, 2167204
102	MOL Logistics Lanka (Pvt) Ltd	No. 123, Bauddhaloka Mawatha, Colombo 04	
103	Mountain Hawk (Pvt) Ltd	235/12, Avissawella Road, Orugodawatte, Wellampitiya	4522267(D) 45222222(G)
104	MSA Shipping (Pvt) Ltd	121/1, Stace Road, Colombo 14	2385289
105	Network Cargo Services Ceylon (Pvt) Ltd	52 3/1, Galle Road, Colombo 03	2348248
106	NorthPort Logistics (Pvt) Ltd	148, Fife Road, Colombo 05	
107	Ocean 7 Logistics (Pvt) Ltd	26B, 1st Floor, Alwis Place, Colombo 03	777228121
108	Ocean HD, Through Transport (Pvt) Ltd	69, Level 8, West Wing (Ceylinco House), Janadhipathi Mawatha, Colombo 01	2333800
109	On Time Worldwide Logistics (Pvt) Ltd	740,3rd Floor, Cotta Road, Rajagiriya	5231337
110	Orient Global Logistics (Pvt) Ltd	NO. 258/3, Deans Road, Colombo -10	0114380395/6 0112488300
111	Peri Logistics (Pvt) Ltd	No. 10, Mile Post Avenue, Colombo 03.	112574213
112	Pership Synergy (Pvt) Ltd	Pership House (ONE), No. 72 C, Bauddhaloka Mawatha, Colombo 04.	2590734
113	Power Freight (Pvt) Ltd	No. 444, Seeduwa Village, Colombo Road, Seeduwa	11 434 5527/8
114	Premium Trading & Logistics (Pvt) Ltd	Level 3, Resolute, 471, Cotta Road, Rajagiriya	112303366
115	Prestige International Logistics (Pvt) Ltd	NO 83,George R De Silv Mawatha, Colombo 13	11 2470099
116	R.P.C. Logistics Ltd	310, High Level Road, Nawinna, Maharagam.	4310500
117	Rays International Shipping (Pvt) Ltd	32, Station Road, Colombo 06	
118	Rubteco International (Pvt) Ltd	98, 3rd Floor, Havelock Road Colombo 05	
119	Salota International (Pvt) Ltd	98, 3rd Floor, Havelock Road Colombo 05	5300250
120	Scanwell Logistics Colombo (Pvt) Ltd	67/1, Hudson Road, Colombo 03.	2426600
121	Sea Shipping Colombo (Pvt) Ltd	No. 633 1/2, Sirimavo Bandaranaike Mawatha, Colombo 14	0115736016/4978916-7
122	Sea Trade Services (Pvt) Ltd	46/7, ‘Valiant Towers’, Level 1, Nawam Mawatha, Colombo 02	4724516
123	Seacare forwarders (Pvt) Ltd	No. 545 B – 2/2 (2nd Floor) Sri Sangaraja Mawatha, Colombo 10	4723448
124	Sealink Shipping (Pvt) Ltd	No. 88, Level 1, 1/11 Justice Akbar Mawatha, Colombo 02	2300884 4932803
125	Setmil-United Cargo (Pvt) Ltd	2nd Floor, Setmil Maritime Centre, 256, Srimath Ramanathan Mawatha, Colombo 15	2485401
126	Shermans Logistics (Pvt) Ltd	No. 60/7 Horton Place, Colombo 7	5348200-3
127	Shiftco Shipping & Logistics Lanka (Pvt) Ltd	39 2/2 Galle Face Terrace, Colombo 03	112330678
128	Spedicon Logistics (Pvt) Ltd	61/1/1 Balapokuna Road, Kirulapona, Colombo 06	
129	Speedmark Consolidation Service (Pvt) Ltd	49, Ward Place, Colombo 07.	2686354 2682749(D)

Member Directory

	SLFFA MEMBER COMPANY	ADDRESS	TELEPHONE
130	Speedmark Transportation Lanka (Pvt) Ltd	49, Ward Place, Colombo 07.	2686354 4760600
131	Sphere International Freight (Pvt) Ltd	4th Floor, 88-4/1, Justice Akbar Mawatha, Colombo 2	7644100-1
132	T L World (Pvt) Ltd	Level 12, No. 736, Orion Towers, Dr. Danister de Silva Mawatha, Colombo 9	2055591-3
133	TDL Logistics (Pvt) Ltd	No. 04, Adam’s Avenue, Colombo 04	2576837
134	Toll Global Forwarding Lanka (Private) Limited	2nd Floor, No. 46/38 Forbes & Walker Bldg, Nawam Mw, Col-2	4723939
135	Trans Orbit Global Logistics (Pvt) Ltd	280A Sri Dhamma Mawatha, Colombo 10	115384448
136	Transcargo (Pvt) Ltd	"ABC Court", No. 117, Hunupitiya Lake Road, Colombo 02	2438951-5
137	Transwing Logistics (Pvt) Ltd	46/7, Level 4, Valiant Towers, Nawam Mawatha, Colombo 02	
138	Trico Customs Brokers (Pvt) Ltd	No. 50, K. Cyril C. Perera Mawatha, Colombo 13	2345580/1
139	UCL Logistics (Pvt) Ltd	No 295, Level 2, George R De Silva Mawatha, Colombo 13.	4791000 ext 430 / 0114337777
140	Universal Freighters International (Pvt) Ltd	63/2, Dharmapala Mawatha, Colombo 07	2436378-9 2392681
141	Universal Freighters International (Pvt) Ltd	2nd Floor of East Wing, No. 347, R A De Mel Mawatha, Colombo 3	713052432
142	US Shipping & Cargo Services (Pvt) Ltd	No. 148, Mahawatta Road, Colombo 14	4740202
143	VVK Maritime Agencies (Pvt) Ltd	579, Bulugaha Junction, Kandy Road, Kelaniya.	0711700030 Anton Emmanuel
144	Wescon Lanka (Pvt) Ltd	Office No 4/2, “Majestic City, No. 10, Bambalapitiya Station Road, Colombo 04	0112589551/2
145	Wigynsa Global (Pvt) Ltd	No 01, Daisy Villa Avenue Bambalapitiya	5745512
146	Wings Logistics (Pvt) Ltd	No 4, Adam’s Avenue, Colombo 04	2576837
147	World Express (CMB) Ltd	2nd Floor, World Express Bldg, 80 Muhandiram Road, Colombo 03	2342807/2439316/2342807
148	World Gate Freighters (Pvt) Ltd	Dias Building, 52 1/1 Galle Road, Colombo 03	777681232
149	Worldlink Shipping Colombo (Pvt) Ltd	515/10, T. B. Jayah Mawatha, Colombo 10	011-2682233/37
150	Yusen Logistics & Kusuvara Lanka (Pvt) Ltd	West Wing, Ground Fl, 400 Deans Road, Colombo 10	4732900 4732901



Financial Statements

Independent Auditor’s Report



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Chartered Accountants
“Charter House”
65/2, Sir Chittampalam A Gardiner Mawatha
Colombo 02
Sri Lanka

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF SRI LANKA LOGISTICS AND FREIGHT FORWARDERS ASSOCIATION

Report on the Audit of the Financial Statements

OPINION

We have audited the financial statements of Sri Lanka Logistics and Freight Forwarders Association (the Association), which comprise the statement of financial position as at 31st March 2022, and the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 48 to 54.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Association as at 31st March 2022, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standard for Small and Medium-sized Entities (SLFRS for SMEs).

BASIS FOR OPINION

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Association in accordance with the ethical requirements of the Code of Ethics issued by CA Sri Lanka (Code of Ethics) that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standard for Small and Medium-sized Entities (SLFRS for SMEs), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Association’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association’s financial reporting process.

AUDITOR’S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Association to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements
As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Association.

BDO Partner

CHARTERED ACCOUNTANTS
Colombo 02
17th August 2022
MN/cc

Statement of Comprehensive Income

For the year ended March	Note	2021/2022 Rs.	2020/2021 Rs.
Operating income	3	13,294,970	6,931,885
Operating expenses	4	(9,364,883)	(5,509,184)
Net surplus from operating activities		3,930,087	1,422,701
Other operating income	5	1,572,246	2,353,318
Other operating expenses	6	(395,374)	(331,818)
Administration and other expenses	7	(5,018,308)	(4,494,171)
Finance income	8	1,636,456	2,114,453
		(3,777,226)	(2,711,536)
Net surplus before taxation		1,725,107	1,064,483
Income tax expense	9	(381,559)	-
Surplus for the year		1,343,548	1,064,483
Other comprehensive income		-	-
Total comprehensive income net of tax		1,343,548	1,064,483

Figures in brackets indicate deductions.

The accounting policies and notes on pages 48 to 54 form an integral part of these financial statements.

Colombo

17th August 2022

Statement of Financial Position

As at 31st March 2022	Note	As at 31.03.2022 Rs.	As at 31.03.2021 Rs.
ASSETS			
Non-current assets			
Property, plant and equipment	10	-	515
Total non-current assets		-	515
Current assets			
Other receivables	11	10,098,893	6,855,499
Financial assets at amortized cost	12	32,092,076	31,032,789
Income tax recoverable	13	132,161	484,720
Cash and cash equivalents	14	12,255,524	7,026,126
Total current assets		54,578,654	45,399,134
Total assets		54,578,654	45,399,649
FUND AND LIABILITIES			
Fund			
Accumulated fund		42,254,928	40,911,380
		42,254,928	40,911,380
Non-current liabilities		-	-
Current liabilities			
Other payables	15	11,819,353	4,488,269
Bank overdraft		504,373	-
Total current liabilities		12,323,726	4,488,269
Total funds and liabilities		54,578,654	45,399,649

The accounting policies and notes on pages 48 to 54 form an integral part of these financial statements.

These financial statements are in compliance with the requirements of the Companies Act No. 07 of 2007.

The Committee is responsible for the preparation and presentation of these financial statements.

Approved and signed for and on behalf of the Committee.



Mr. Dinesh Sri Chandrasekara
Hon. Chairman

Colombo

17th August 2022



Mr. Andre Fernando
Hon. Treasurer

Statement of Changes in Fund

For the year ended 31st March 2022	Accumulated fund Rs.	Total Rs.
Balance as at 01st April 2020	39,846,897	39,846,897
Surplus for the year	1,064,483	1,064,483
Balance as at 31st March 2021	40,911,380	40,911,380
Surplus for the year	1,343,548	1,343,548
Balance as at 31st March 2022	42,254,928	42,254,928

Figures in brackets indicate deductions.

The accounting policies and notes on pages 48 to 54 form an integral part of these financial statements.

Colombo

17th August 2022

Statement of Cash Flows

For the year ended 31st March	2021/2022 Rs.	2020/2021 Rs.
Cash flows from operating activities		
Net surplus before taxation	1,725,107	1,064,483
Adjustments for:		
Depreciation for the year	515	20,000
Gain on disposal of asset	(5,000)	-
Interest income	(1,636,456)	(2,114,453)
Operating surplus/(deficit) before working capital changes	84,166	(1,029,970)
Working capital changes		
(Increase) in other receivables	(3,243,394)	(132,231)
Increase in other payables	7,331,084	1,531,740
Net change in working capital	4,087,690	1,399,509
Cash generated from operations	4,171,856	369,539
Tax paid	(29,000)	(115,000)
Net cash from operating activities	4,142,856	254,539
Cash flows from investing activities		
Net investments in fixed deposits	(1,059,287)	(1,953,124)
Sales proceeds from disposal on property, plant and equipment	5,000	-
Interest received	1,636,456	2,114,453
Net cash from investing activities	582,169	161,329
Net decrease in cash and cash equivalents	4,725,025	415,868
Cash and cash equivalents at the beginning of the year	Note A 7,026,126	6,610,258
Cash and cash equivalents at the end of the year	Note B 11,751,151	7,026,126
At the beginning of the year	Note A	
Cash at bank	7,016,126	6,600,258
Cash in hand	10,000	10,000
	7,026,126	6,610,258
At the end of the year	Note B	
Cash at bank	11,731,151	7,016,126
Cash in hand	20,000	10,000
	11,751,151	7,026,126

Figures in brackets indicate deductions.

The accounting policies and notes on pages 48 to 54 form an integral part of these financial statements.

Colombo

17th August 2022

Notes to the Financial Statements

	2021/2022 Rs.	2020/2021 Rs.
3. OPERATING INCOME		
Membership subscriptions	2,558,000	2,400,000
New membership fees	1,285,000	790,000
Dangerous goods regulation (DGR) course fees	3,840,000	1,055,950
AGM subscriptions from members	-	1,001,000
Academy of International Trade and Transport (AITT) course fee	5,611,970	1,684,935
	13,294,970	6,931,885
4. OPERATING EXPENSES		
AGM expenses	1,518,618	2,619,144
Dangerous goods regulation (DGR) course expenses	3,815,039	922,905
Academy of International Trade and Transport (AITT) course expense	4,031,226	1,967,135
	9,364,883	5,509,184
5. OTHER OPERATING INCOME		
Royalty income - SLFFA cargo services	1,000,000	1,500,000
Commissions for promoting insurance	520,746	770,730
FIATA bill of lading sales income	46,500	56,200
Gain on disposal of assets	5,000	-
Recovery of rent and electricity at cargo village	-	26,388
	1,572,246	2,353,318
6. OTHER OPERATING EXPENSES		
Car rent	330,000	269,920
Telephone, internet and GSM charges	65,374	61,898
	395,374	331,818

	2021/2022 Rs.	2020/2021 Rs.
7. ADMINISTRATION AND OTHER EXPENSES		
Staff salaries	1,146,440	979,200
EPF and ETF expenses	171,966	146,880
Consultancy fees	1,354,000	1,146,000
Bonus	210,000	177,100
Bank charges	10,575	1,435
Secretarial charges	49,383	148,662
Membership fees (FAPAA/FIATA/IATA)	1,608,632	1,497,450
Car service fee	13,610	45,125
Meeting expenses	-	500
Depreciation	515	20,000
Subscriptions	42,400	42,400
Printing and stationery	70,653	63,384
Audit fee	93,934	70,335
Tax fee	37,800	-
General expenses	-	4,998
Computer equipment maintenance	14,000	-
Web development charges	194,400	-
Domain hosting	-	66,802
AITT awards expense	-	83,900
	5,018,308	4,494,171
8. NET FINANCE INCOME		
Interest income	1,636,456	2,114,453
	1,636,456	2,114,453
9. INCOME TAX EXPENSE		
Income tax provision for the year	287,787	-
Under provision for previous years	93,772	-
	381,559	-

Notes to the Financial Statements

10. PROPERTY, PLANT AND EQUIPMENT

Description	COST			DEPRECIATION				W.D.V.	
	As at 01.04.2021	Disposal during the year	As at 31.03.2022	As at 01.04.2021	For the year	On disposal	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Computers	309,700	49,900	259,800	309,185	515	49,900	259,800	-	515
	309,700	49,900	259,800	309,185	515	49,900	259,800	-	515

			As at 31.03.2022	As at 31.03.2021
Note			Rs.	Rs.

11. OTHER RECEIVABLES

Advances	11.1	1,750,037	1,750,037
Prepayments	11.2	3,431,885	1,337,195
Other receivables	11.3	4,916,971	3,768,267
		10,098,893	6,855,499

11.1 Advances

Advance paid to hotel for SLFFA dance	1,650,000	1,650,000
AASL - agreement renewal	100,037	100,037
	1,750,037	1,750,037

11.2 Prepayments

FAPAA membership fees	272,494	195,899
IATA membership fees	-	252,791
DGR/IATA trainer fee	187,000	438,000
National logistics awards	-	75,000
DGR manuals	883,151	320,805
Car rent	55,000	-
Coffee table book	1,971,040	-
FIATA BL printing cost	63,200	54,700
	3,431,885	1,337,195

11.3 Other receivables

Interest income receivable	476,171	320,686
Rent and electricity reimbursement	397,787	307,378
Membership subscriptions	78,000	20,000
Achievers' profit share	817,602	817,602
Insurance commission receivable - Allianz	560,911	802,601
Receivable from SLFFA Cargo Services	2,586,500	1,500,000
	4,916,971	3,768,267

Note	As at 31.03.2022	As at 31.03.2021
	Rs.	Rs.

12. FINANCIAL ASSETS AT AMORTIZED COST

Investments in fixed deposits		
National Development Bank PLC	14,415,023	14,012,555
Nations Trust Bank PLC	17,677,053	17,020,234
	32,092,076	31,032,789

13. INCOME TAX RECOVERABLE

Balance at the beginning of the year	484,720	369,720
Income tax provision for the year	(287,787)	-
Under provision for previous years	(93,772)	-
Tax paid	29,000	115,000
Balance at the end of the year	132,161	484,720

14. CASH AND CASH EQUIVALENTS

Nations Trust Bank PLC- savings account	12,235,524	6,791,482
Nations Trust Bank PLC- current account - 006166000012	-	224,644
Cash in hand	20,000	10,000
	12,255,524	7,026,126

15. OTHER PAYABLES

SAFFA payable	1,257,662	1,257,662
Audit fee	93,934	76,800
Advance received for AITT course	4,504,921	1,375,165
AITT lecture fees payable	725,600	-
EPF/ETF payable	38,741	-
IATA DGR payable	889,350	279,942
National logistics awards	3,141,463	-
Institute of Shipping and Logistics Colombo	-	787,500
SLFFA membership subscription	-	20,000
FIATA membership	284,400	219,000
IATA membership	84,000	-
ACV rent/electricity payable	124,282	-
Coffee table book	-	332,200
Advance received for DGR course	650,000	140,000
Sundry payables	25,000	-
	11,819,353	4,488,269

16. UNRECOGNISED CONTRACTUAL COMMITMENTS

There were no commitments existing as at the end of the reporting period.

17. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no contingencies existing as at the end of the reporting period.

Notes to the Financial Statements

18. ASSETS PLEDGED

There were no assets that have been pledged or mortgaged as security for liabilities.

19. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

Sri Lanka is currently experiencing an economic crisis due to the depletion of foreign currency reserves and balance of payments issues. As a result, most organizations, including the Association face an unprecedented level of challenges for future operations and consequent earnings over the foreseeable future due to unprecedentedly escalating levels of inflation and rising prices of basic commodities. However, the management is confident that the Association will be able to successfully navigate through the crisis due to the prudent decision making process which has ensured stringent cost management strategies of our operations. The strength and the experience of our Committee and the management team are an added comfort to our Association, which will ensure continued support during this challenging period. Therefore, no adjustment is required to the balances reported in these financial statements.

Other than the above, no circumstances have arisen since the reporting date which would require adjustments or disclosures in the financial statements.

20. COMPARATIVE INFORMATION

Comparative figures and phrases have been re-arranged as necessary, to conform to the current year's presentation/classification.

Notes

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