



**Sri Lanka Logistics and Freight Forwarders Association (SLFFA)**

# **ANNUAL REPORT 2023/24**

## Contents

2	Vision, Mission & Strategic Goals
3	Introduction to the Report
4	Chairman's Message
6	Vice Chairman's Message
7	Secretary's Report
11	SLFFA Secretariat
12	Board of Directors
<b>Sub-Committee Reports</b>	
14	Air Freight and Air Cargo Village
16	Ocean Freight, Port, Customs and BOI
18	SLFFA Training and AITT
20	New Membership Promotion and Evaluation
21	Legal & Insurance Assistance (Freight Forwarders' Liability Insurance)
23	Publicity, Social Affairs, Website, CSR & Digital Media
25	Digitization/Research & Development / Statistics
27	Key Events
31	Global Logistics Report
33	SLFFA Cargo Services Limited
35	Member Directory
41	Independent Auditor's Report
43	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



Sri Lanka Logistics and Freight Forwarders Association (SLFFA)

# ANNUAL REPORT 2023/24



## 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

Celebrating 43 years of excellence, the Sri Lanka Logistics & Freight Forwarders Association (SLFFA) continues to be the apex representative and voice for the local industry. The past year has not been easy, with significant local, as well as global challenges impacting the industry to varying degrees. Nevertheless, the determination and resilience of our members, backed by our support, have resulted in continuous adaptation and innovation to tackle these obstacles. As to what the next year holds, only time will tell. However, the SLFFA will certainly continue to forge forward as the guiding light and clarion call for an extremely vital industry that supports nearly every other industry and sector.



[www.slffa.com](http://www.slffa.com)



## Chairman's Message



**Mr. Channa Gunawardena**  
Chairman, SLFFA

“Digitization has been one of our main focus areas, and SLFFA has been pushing relevant authorities for digitization of processes, along with other progressive associations.”

The period under review, 2023-2024 has been one of adaptation. While the effects of the global Covid-19 pandemic are now largely in the rear-view mirror, the world faces new challenges. Several factors, including the on-going wars as well as congestion at ports and airports present fresh challengers for the global logistics and freight forwarding industry. We in Sri Lanka have not escaped the knock-on effects of these factors.

Hence, SLFFA's main focus over 2023-2024 was to effectively play its role as the apex industry representation body in Sri Lanka. In order to achieve this, your committee engaged in tireless discussions at national and industry levels. By way of this active engagement philosophy, SLFFA was able to ensure support, as well as constructive inputs towards making necessary and meaningful changes where required.

Digitization has been one of our main focus areas, and SLFFA has been pushing relevant authorities for digitization of processes, along with other progressive associations. Digitization presents numerous benefits to all stakeholders involved. Cost reduction and streamlining of processes are two of digitization's major positive results. Then, considerable time savings can be realized, as well as enhanced convenience since multiple physical contact points can be avoided. Crucially, digitization notably reduces the possibilities for corruption to occur.



“SLFFA will continue in its endeavours towards continuous improvement. This will enable continual value additions for the members of the association, across areas such as recoveries, insurance, and legal.”

Some of the digitization drives we embarked upon include the Airport and Port Community Systems. Here, we held discussions with Airport and Aviation Services Limited (AASL) and potential service providers to ensure ground-level requirements would be in place when this initiative is implemented in due course.

Furthermore, SLFFA is one of the selected entities for the pilot run of the ASYHUB Shipping Pre-Arrival Processing System. We are continually engaging with Sri Lanka Customs to ensure that the ASYHUB system achieve wider implementation at the earliest. Then, SLFFA continues its push for a National Single Window (NSW) system with the National Trade Facilitating Committee. This project has been long overdue, and SLFFA is committed towards ensuring that it is implemented to the benefit of all industry players and stakeholders.

During coming months, the association plans to take the leadership role in persuading the Government of Sri Lanka to prioritize logistics-related infrastructure developments, particularly within The Port of Colombo. This will enable harnessing potential Multi-Country Consolidation activities. Ports in the region are aggressively upgrading their infrastructure, and it is imperative that Sri Lanka does the same, if we are to challenge established hubs in Singapore and Malaysia.

We also see the potential of harnessing Colombo Airport for Sea-Air and Air-Air transhipments, particularly during peak seasons. This will not be limited to shipments from South Asian origins but also focus on South-East Asia, particularly for Air-Air movements. SLFFA has engaged with authorities on this matter prior, and plans to continue these efforts, particularly with the anticipated recommencement of the Colombo Airport expansion project.

We will continue to lobby for the prevalence of free market forces, as opposed to a regulated industry. This is crucial if industry players are to effectively compete, and offer the best product and services mix to local and international clients.

Furthermore, SLFFA will continue in its endeavours towards continuous improvement. This will enable continual value additions for the members of the association, across areas such as recoveries, insurance, and legal. In connection with this, your committee is now in the process of amending SLFFA's Articles of the Association and the standard trading conditions in consultation with external subject matter experts and lawyers.

With the National Logistics Awards showcasing the benefits of having an industry-focused awards ceremony, SLFFA will continue with such recognition activities. These activities are aimed at recognizing all who participate in the wider sphere of logistics. The presence of such events and their recognition in turn will foster a culture of innovation and continuous upliftment of industry standards.

SLFFA shall continue to work with like-minded associations in its fight against corruption. The association strongly encourages members to take a firm stand against corruption and also support state institutes taking initiatives in the right direction.

In signing off, I would like to extend my sincere thanks to the committee, sub-committees, SLFFA members and stakeholders. Without your support, your association would not have been able to achieve all that it has today. As we enter into a new year, SLFFA remains committed towards acting as the shining light and apex body that leads and guides the industry into the future.



## Vice Chairman's Message



**Mr. Andre Fernando**  
Vice Chairman, SLFFA

It gives me immense pride to pen this message, as the Vice Chairman of the Sri Lanka Logistics and Freight Forwarders Association (SLFFA), for the period under review. The SLFFA is known as the apex body of industry representation, and widely recognized as the guiding light for the industry in Sri Lanka. As the association enters its 43rd year of existence, your committee continues to strive towards championing the industry's causes and acting as a loud and clear voice of representation.

The industry as a whole successfully overcame the Covid-19 pandemic which gripped the world and caused global disruption on an unprecedented scale. We had to be content with lockdowns, congestion at global logistics hubs, and more challenges. Then, the Sri Lankan economic crisis of 2022 hit us much closer to home. While the world was regaining traction following the pandemic, we in Sri Lanka were dealt this second blow. This economic crisis was successfully mitigated, by temporarily sorting it out.

The challenges aren't over yet. The Red Sea crisis, as well as several wars underway, are leading to another supply chain crisis. These factors, coupled with elevated levels of global inflation can only mean more difficulties for everyone to overcome. However, this is where SLFFA and its members can really rise to the challenge.

The way forwards is one of low cost and high efficiency, and it is a way that we must embrace going forwards. This can be achieved through avenues such as process optimization, as well as digitization. Then, we must also support the Government's development efforts. One way to do this is to comply with the Government's tax laws, while proactively and continually

engaging with relevant stakeholders to ensure that appropriate development takes place.

This is paramount, because Sri Lanka is already late to the game of becoming a key air freight and logistics hub, regionally as well as globally. I like to say that nothing is ever too late, but in this regard, we are on the back of the curve. Hence, SLFFA will continue to champion for appropriate developments and changes in policies and procedures in order to achieve this.

Another key factor that SLFFA has been focusing on for years, is to encourage more school leavers to start a career in logistics and freight forwarding. The organization's training arm, AITT has made great progress, which is detailing in their sub-committee report.

SLFFA also aims to uplift the image of the industry among new talent and fresh graduates who are looking to start their careers. Traditionally, the logistics and freight forwarding sector has not enjoyed the same glamorous and prestigious image as some other sectors and industries. This stigma needs to be changed, as the industry is the backbone of everything that happens locally and globally today.

Finally, I must mention that there is no work-life balance in this industry. Logistics is a 24x7 game, anywhere in the world. This is a given and all those in the industry accept it. Even our client contracts do not touch on the topic. However, continually working at a level of high performance can result in burnout, employee dissatisfaction, and even significant health issues. This is a factor that all players must be aware of. Watching out for the warning signs and appropriately acting upon them is critical.

## Secretary's Report



**Mr. Rohan Induruwa**  
Secretary General, SLFFA

### ACTIVITIES OF THE ASSOCIATION

The Association, whilst stepping into the 43rd 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, Customs, Air Freight & Air Cargo Village (ACV), Port operations including tariff, Delivery Order charges, and conducted regular discussions with officials of the Ministry of Finance, Ministry of Ports, Shipping & Aviation, 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 & Aviation.

In addition, The Executive Committee engaged in discussions with The Ceylon Chamber of Commerce(CCC), Sri Lanka Shippers Council (SLSC) and Ceylon Association of Shipping Agents (CASA), Joint Apparel Association Forum(JAAF), etc. Strengthening the self-regulatory regime introduced by the Association, regular training programs were conducted for the benefit and betterment of the members.

The SLFFA Office Bearers, Advisory Council, Committee members and the Secretariat had an eventful year and judiciously carried

out duties amid the challenges of the social unrest in the country and other macro economic variables. SLFFA was called upon by Government authorities and trade bodies on numerous occasions to represent its members in several discussions/seminars and was also included in advisory roles on matters of national importance. A summary of these representative roles played are explained herein.

The Office Bearers were also involved in several meetings held by HE 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 of the implementation of the Cargo Account Settlement System (CASS), in spite of the ongoing crisis situation in the country.

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
- Training, AITT and Webinars
- Digitization, Research & Development (R&D) and Statistics
- Finance
- Legal and Insurance Assistance
- FIATA, FAPAA and SLFFA Cargo Services Promotional Activities
- Membership Promotion/Evaluation and Membership Grievances

## Secretary's Report

### Membership Meetings and Executive Committee Meetings

As at the end of the period under review, SLFFA membership reached 176 members. The Executive Committee met on 10 occasions during the period under review to conduct its business. SLFFA also conducted 2 General Membership Meetings during the same period.

### OTHER INDUSTRY RELATED MATTERS

The SLFFA Office Bearers, Committee members and the Secretariat were actively involved in the following key industry issues, in addition to the other areas of engagement highlighted by the respective Subcommittees in their reports;

#### Air/Air Transshipment Manifest issue

SLFFA have had discussions with Sri Lanka Customs officials at Air Cargo Village to finalize a solution for the current Air/Air to manifest issues faced by the members. The matter was resolved by Sri Lanka Customs effective 26th July 2024 by introducing a separate nature code developed for Air-Air Transshipment on the Asycuda system.

#### Airport Cargo Community System (ACS)

SLFFA has been involved in discussions regarding the ACS implementation process. Bid proposals received on the RFQ for the proposed ACS by Airport & Aviation Services (Sri Lanka) Ltd (AASL). 3 Bidders have been short-listed subsequently by AASL and one of them has already initiated a dialogue with SLFFA to familiarize with the requirements of the Freight Forwarding community.

#### Meeting with the Newly Appointed AASL Chairman

SLFFA Chairman along with a few committee members met with the newly appointed Chairman of AASL to discuss matters of mutual interest and concerning the industry as a whole. AASL Chairman assured his fullest support to facilitate enhanced service levels with regular dialog with the trade.

#### Cargo Account Settlement System (CASS)

SLFFA strongly voiced its objection and filed a writ application in the Court of Appeal against the International Air Transport Association (IATA), Central Bank of Sri Lanka and the Monetary Board for attempting to introduce the CASS in Sri Lanka, through our National Carrier Sri Lankan Airlines, thereby threatening the continuity of bilateral credit policies enjoyed between air lines and exporters / freight forwarders which are working perfectly.

SLFFA has voiced its displeasure to the unilateral change in the payment cycle as it would severely and adversely affect the business of our exporters and freight forwarders, who would

in turn, be pressurized for lesser credit periods in line with the settlement cycle. Thus, SLFFA has expressed its objection to using CASS whilst there is also no value addition to the industry by bringing in CASS during the current economic crisis seriously affecting the entire country.

#### Launch of Key Trade Facilitation Initiatives in Sri Lanka

SLFFA was represented at the launch of the Key Trade Facilitation Initiatives in Sri Lanka which was organized by the International Trade Centre(ITC). The event was graced by H.E. Ranil Wickramasinghe, President of Sri Lanka. Its objective was to showcase the unparalleled dedication towards moving forward with trade facilitation initiatives. The event included the launch of the Digital Systems, presentations of the initiatives taken place and an enriching panel discussion, featuring eminent authorities and esteemed industry stakeholders.

#### Consultation Meeting under Securing Market Access for Supply/Exports of Services to Thailand under Sri Lanka – Thailand Free Trade Agreement (SLTFTA)

SLFFA was represented at the aforementioned discussions organized by the Office for International Trade (OIT) which was held to identify existing/potential market access opportunities in Thailand for the Service sector. The negotiating teams of Sri Lanka and Thailand were requested to table their proposals and offers for securing market access for existing and potential services exporters to obtain maximum benefits out of this Free Trade Agreement.

#### Appointment to the Policy Committee on Formulation of Logistics Development Program including the Shipping Industry

The Ministry of Finance, Economic Stabilization and National Policies appointed SLFFA as a member of the aforementioned Policy Committee in order to drive the formulation of Logistics Development Program 2023-2027, in line with international best practices for development of regionally competitive logistics services in Sri Lanka. SLFFA attended the initial meeting and provided its input.

#### Global Maritime India Summit 2023

SLFFA was represented at the Global Maritime India Summit, an annual meeting of the Indian and International Maritime community to address key industry issues and exchange ideas to bring the sector forward through global and regional partnerships and facilitating investments. The event was graced by the Hon. Minister of Ports Shipping and Aviation. Through fostering global and regional partnerships and facilitating investments, SLFFA exemplified its dedication to driving positive change in the maritime landscape.

#### Revisit of the National Export Strategy (NES) Of Sri Lanka (2018-2022)

The Sri Lanka Export Development Board (SLEDB), in collaboration with the Ministry of Investment Promotion and the International Trade Centre (ITC), Geneva held several meetings to revisit the National Export Strategy of Sri Lanka (2018-2022), underscoring the nation's commitment to fostering sustainable economic growth through development in exports.

SLFFA's active participation in these sessions, alongside the ITC consultant and other NES sector-related Associations/Chambers, demonstrated its dedication to driving positive change within the export landscape.

#### Panel Discussion conducted by the National Chamber of Exporters on Navigating Challenges for Effective Logistics and Shipping Management

SLFFA demonstrated its leadership and expertise as a distinguished panelist for the above discussion organised by the National Chamber of Exporters(NCE) which was held to create awareness for matters pertaining to Shipping and Logistics for Exporters. The discussion was attended by several industry stakeholders, Government Authorities, etc.

#### Exploring Trade Dynamics: Insights on Supply Chains and Connectivity in the Asia-Pacific Region

SLFFA was represented at the aforementioned forum which deliberated as a platform to bring forward insightful discussions and innovative ideas to navigate the complex landscape of global supply chains and develop connectivity in the Asia-Pacific Region. SLFFA contributed its insights and perspectives to the discussions, enriching the dialogue with its deep understanding of logistics and supply chain dynamics. By engaging in conversations centered around digitally-equipped land, maritime, and air connectivity, SLFFA highlighted its dedication to harnessing the vast potential of the Asia-Pacific region for building sustainable supply chains.

#### CILT Sri Lanka International Conference 2023 – Trade Facilitation and Economic Empowerment; the Role of Logistics in the Recovery of the Economy

The above mentioned conference organized by the Chartered Institute of Logistics & Transport Sri Lanka was represented by SLFFA amidst several diverse professionals and experts from the field of logistics and transport, providing a platform for robust discussions and knowledge exchange. The event served as a melting pot of ideas and strategies, with SLFFA actively engaging in discussions on key areas vital to the growth and resilience of the industry.

#### Stakeholder Consultations on Trade in Services – Proposed Economic Technology Cooperation Agreement (ETCA) between Sri Lanka and India

A series of sector specific stakeholder consultation meetings were organized by the Presidential Secretariat of Sri Lanka to gather insights from the sector regarding the Free Trade Agreement between Sri Lanka and India in which SLFFA participated. These meetings served as a crucial forum for fostering dialogue and collaboration among key stakeholders, with the aim of shaping the bilateral trade agreement to best serve the interests of all parties involved.

#### SLFFA Meeting with the IMF Mission Reviewing Excise and Customs Administration

As per a request made by the Secretary to the Treasury, the International Monetary Fund (IMF)'s Fiscal Affairs Department led a diagnostic assessment of the revenue collection functions of the Department of Excise and Department of Customs respectively to which SLFFA was invited. This assessment focused on the revenue collection functions of both the Department of Excise and the Department of Customs, aiming to enhance their efficiency and effectiveness. As representatives of the private sector and the Apex body of the logistics industry, SLFFA provided insights into the potential impact of proposed changes on businesses and trade operations.

#### World Bank organized a discussion on Customs Clearance in Imports/Exports in Sri Lanka

SLFFA was represented at a discussion conducted by the World Bank on Customs Clearance in Imports/Exports in Sri Lanka where the significant impact of Customs regulations and procedures on the import and export of goods were discussed. The discussion was held with a diverse group of experienced professionals where their insights, best practices, and challenges faced were expressed in this domain.

The discussion focused on various aspects such as understanding current customs clearance processes, and regulations pertaining to the import and export of goods, identifying common challenges encountered during Customs clearance procedures, exploring strategies to streamline Customs clearance processes to facilitate trade, emerging trends, and regulatory changes affecting Customs clearance etc. SLFFA reiterated the importance of digitization of Custom clearance procedures in order to achieve higher level of efficiency.

#### Developing an Efficient Freight Transportation System

The Ministry of Transport and Highways requested proposals from SLFFA as the Apex body of Logistics industry on ways to



## Secretary's Report

develop an efficient freight transportation system in Sri Lanka. SLFFA submitted a comprehensive document outlining multiple strategies for improving the transportation system, alongside an analysis of existing challenges and recommendations to address them. This request was further followed by a meeting to delve deeper into these proposals.

### International Industry Expo 2024

SLFFA was represented at the International Industry Expo 2024 organised by the Ministry of Industries and the Industrial Development Board with the participation of stakeholders representing 25 industry sectors and both local and foreign exhibitors.

### Navigating Trade Waves in 2024 and Beyond – Insights for Importers

SLFFA was represented at the panel discussion on Navigating Trade Waves in 2024 and Beyond – Insights for Importers organized by the Ceylon Chamber of Commerce. The discussion topics included leverage on existing Free Trade Agreements effectively, delving into government policy perspectives on trade facilitation, insights into Customs facilities to streamline import processes, explore the implications of the Red Sea crisis on the shipping industry and potential strategies for mitigation and understand the significance of national quality infrastructure and requirements of quality policy for importers in today's landscape.

### Workshop on the Implementation of the WTO Trade Facilitation Agreement Commitments

SLFFA participated in a workshop focused on the Implementation of the WTO Trade Facilitation Agreement Commitments, coordinated by the International Trade Centre (ITC) and the Japan International Cooperation Agency (JICA). This significant initiative was initiated at the request of the Presidential Secretariat of Sri Lanka to JICA and ITC. The workshop served as a follow-up to previous discussions with ITC concerning the evaluation of Sri Lanka's progress in implementing the WTO Trade Facilitation Agreement (TFA) and determining the country's priorities in trade facilitation commitments. SLFFA highlighted the necessity for it to be included in the National Trade Facilitating Committee for future discussions.

### Driving Sustainable Development in the Ports Sector

SLFFA was represented at the Indo-Pacific Business Forum satellite event under the theme "Driving Sustainable Development in the Ports Sector" organized by the US Embassy which included speakers from the Sri Lankan and Maldivian governments and several industry leaders from the Ports, Shipping, and Logistics sectors. The discussion addressed the successful policies and procedures currently being implemented while showcasing the effective use of energy-efficient hardware and cargo management software in Ports by demonstrating the potential for Sri Lankan and Maldivian Ports sectors to reduce their carbon footprint.

### SLFFA meeting with the Delegation of German Industry and Commerce in Sri Lanka

SLFFA was represented at the aforementioned meeting organized to explore potential synergies between the two organizations, with a focus on ways to collaboratively address common challenges in the logistics and maritime sectors in Sri Lanka. Several members of the delegation's logistic and maritime sector committee along with representatives from the Ceylon Association of Shipping Agents (CASA) participated.

### Awareness Building Workshop On Trade National Single Window System(TNSWS) Project

The Department of Trade and Investment Policy of the Ministry of Finance, Economic Stabilization & National Policies in collaboration with United States Agency for International Development(USAID), conducted a Stakeholders Awareness Workshop, in which SLFFA was invited to participate as a key stakeholder of the TNSWS project. SLFFA provided its input and highlighted the importance/benefits of the project, in driving the logistics industry towards implementation of international best practices to enhance growth and competitiveness.

### Strike Action and Go-Slow By Sri Lanka Customs

During the recent strike action and go-slow resorted to by staff of Sri Lanka Customs, SLFFA immediately made a written appeal to the State Minister of the Ministry of Finance make every endeavor to end the strike action immediately to prevent the total disruption of the import-export trade, which had created chaos in the whole country. SLFFA strongly advocated to end the strike action immediately by arriving at a consensus in the interest of the motherland.

## SLFFA Secretariat



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.



## Board of Directors



*Left to Right*

**Seated**

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

**Standing**

Mr. Navin Perera, Mr. Suminda Hettiarachchi, Ms. Diruni Chanmugam, Mr. Sujana Malawana, Mr. Priyan Seilman, Mr. Nishan Jayawardena, Ms. Debbie Dissananyake, Mr. M F Ibrahim, Mr. Kolitha Wickramasinghe, Ms. Suharshani Welegama



## Sub-Committee Reports

### Air Freight and Air Cargo Village



**Mr. Priyan  
Seilman**  
Chairman



**Mr. Sujan  
Malawana**  
Dep. Chairman



**Mr. Gehan  
Seilman**  
Member



**Mr. Nishantha  
Perera**  
Member



**Mr. Chandana  
Jeerasinghe**  
Member



**Mr. Chameen Peris**  
Member



**Mr. Gazzali  
Arifeen**  
Member



**Mr. Srinath Perera**  
Member



**Mr. Hirusha Dias**  
Member



**Mr. Harshaka  
Lokugamage**  
Member



**Mr. Dario Ockersz**  
Member

#### CREATION OF SPECIFIC NATURE CODE FOR AIR/AIR TRANSSHIPMENT MANIFEST

In response to the issues encountered with Air/Air transshipment manifests, several discussions and meetings were held with the Director of Customs (DC) at ACV (Air Cargo Village) to address the challenges faced by some members in regard to Air/Air manifests, and efforts were made to establish a long-term solution. Due to several changes at the ACV DC level, it was necessary to explain the situation and resubmit the documents a few times to adequately highlight the matter.

In response to these issues and following much persuasion, a specialized nature code has been approved and developed within the Asycuda system. This code aids in streamlining and clarifying the handling of Air/Air transshipment cargo. The code assists in identifying and tracking, as well as enables process optimization, allowing for a streamlined process of customs procedures. Ultimately, this code helps in reducing processing time and minimizing human error.

#### CONTINUOUS DIALOGUE WITH AASL ON PARKING FEES AND STAFF FACILITIES

Ongoing discussions with Airport and Aviation Services Limited (AASL) have addressed key concerns at the ACV, particularly the high parking fees and improvements to facilities for ACV staff. With regard to the high parking fees imposed at the ACV, there has been continuous engagement with AASL aimed at negotiating better rates or alternative arrangements.

Discussions are also being held focusing on improving the facilities available to ACV staff. This includes ensuring adequate amenities and working conditions, which are essential for efficient operation in the ACV. These dialogues are part of an ongoing effort to enhance the working environment and operational efficiency at ACV.

#### MEETING ON DANGEROUS GOODS DECLARATIONS:

A meeting was held with the SriLankan Airlines Cargo team, including the Dangerous Goods (DG) handling team, and a team from ACV to address challenges related to the filing of Dangerous Goods declarations. Key points discussed at the meeting included:

- Discussion on Challenges: The teams discussed the difficulties and challenges encountered in the process of filing DG declarations, including compliance with regulations, accurate documentation, and safe handling procedures.
- Resolution of Concerns: Through constructive dialogue, most areas of concern were clarified and resolved. The discussion provided a better understanding of the requirements and expectations from both Sri Lankan Cargo and the ACV teams, leading to improved coordination and adherence to safety standards.

This collaborative effort aimed to streamline the process, enhance safety protocols, and ensure compliance with international standards for the transportation of dangerous goods.

#### CASS - CONTINUITY OF LEGAL PROCEEDINGS

The legal proceedings regarding the implementation of Cargo Accounts Settlement Systems (CASS) are ongoing. These proceedings are a result of the concerns raised by market leaders on the potential negative impact of CASS on the industry and are focused on halting these implications. Key stakeholders raised concerns that the system may lead to financial, operational, and regulatory challenges that would need to be addressed before proceeding.

## Sub-Committee Reports

### Ocean Freight, Port, Customs and BOI



**Mr. Nishan Jayawardena**  
Chairman



**Mr. M F Ibrahim**  
Dep. Chairman



**Mr. Mangaleshwaran Ratnajothy**  
Member



**Mr. Navin Perera**  
Member



**Ms. Debbie Dissanayake**  
Member



**Mr. Minhaj Mahamood**  
Member



**Mr. Roshan Perera**  
Member



**Mr. Lasantha Rodrigo**  
Member



**Mr. Kalana Wickramaratne**  
Member



**Mr. Brian Philip**  
Member



**Mr. Chandana Kulatunga**  
Member



**Mr. Firnas Fazal**  
Member



**Ms. Sharmala Fernando**  
Member



**Mr. Uresh Fernando**  
Member



**Mr. Suren Weerasuriya**  
Member



**Mr. Sanjeewa Weerawickrama**  
Member

The period under review brought about new trends in Digitalization. The representatives of the Sub-Committee along with the Office Bearers represented many forums and held discussions with local and foreign authorities and representatives of various donor and support agencies. Officials of Government Departments such as the Sri Lanka Customs, Sri Lanka Ports Authority (SLPA), Director General Merchant Shipping (DGMS), etc., and foreign agencies such as the World Bank, GIZ, UNTAD, were among those that held several discussions in terms of Risk Mitigation, Electronic Information Exchange, and Processes Facilitation. A synopsis of progress made across these areas is presented here.

#### SRI LANKA CUSTOMS DEPARTMENT (SLCD)

##### ASYHUB

The proposed implementation of the DGMT (Digitizing Global Maritime Trade) project, or ASYHUB will assist Sri Lanka Customs with digital access to advance sea cargo information. The project aims to enable customs administrations to process advance sea cargo data pre-arrival as well as pre-departure, conduct risk analyses earlier to determine which cargoes to inspect and what to release when goods arrive. This should result in reducing the time and cost of maritime trade for importers and exporters as well as for Customs itself.

SLFFA together with CASA (Ceylon Association of Ships Agents), jointly held an online awareness session to educate all stakeholders on the ASYHUB system and its features, followed by a Q&A session. Stakeholders were given the opportunity to raise their concerns with the software developer UNCTAD and with GIZ.

The main drivers of the project are the Sri Lanka Customs Department acting as the Lead Agent, UNCTAD; the development of digital connector software, the GIZ; the project management, capacity building, awareness raising & upscaling, the Federal Ministry for Economic Corporation & Development; project Funding.

Although this project took off as a parallel run with that of the existing platform i.e., the ASYCUDA WORLD and is in the pilot stage, the migration to the ASYHUB platform is envisaged to take place within the year.

##### Timely Updates and Accuracy

SLFFA together with the Shippers Council and Joint Apparel Association Forum (JAAF) held meetings with Sri Lanka Customs and addressed industry related concerns regarding; Online Manifest Submission and Data Security, Timely Updates on Duties and Taxes of ASYCUDA system where in concerns were raised regarding the Customs ASYCUDA system, which is not updated promptly with accurate tariff rates and pending refunds for which Customs explained that updating data is challenging due to overnight changes in tariff rates and requested details of pending refunds. Further, issues in relation to the SVAT Vouchers were taken up. The Customs has made requests to automate the SVAT voucher system, but no favorable response was received from the Inland Revenue Department (IRD) at the time.

##### e-Delivery Order

The importance of maintaining the positive practices introduced during the Covid-19 period, such as online Delivery Orders and Bills of Lading were taken up with Customs. The importance of accepting and making digital signatures compulsory was proposed. Customs agreed and emphasized the importance of making digital signatures a compulsory requirement in customs procedures. SLFFA suggested that there should be no reason why this cannot be facilitated given that the Digital Signature Act was ratified in Parliament as far back as 2006.

##### CHA License Standards

The need to maintain a standard for Customs House Agents (CHA) and its wharf personnel when leaving their employer were addressed. Customs explained that malpractice by any wharf personnel would

result in penalties and blacklisting. They also agreed to stipulate regulations when wharf clerk leaves the company the pass must be returned to the customs.

#### SRI LANKA PORTS AUTHORITY (SLPA)

##### E-Delivery Order:

The importance of maintaining the positive practices introduced during the Covid-19 period, such as online delivery orders and bills of lading were highlighted.

##### PCS (Port Community System)

A workshop on the Port Community System was held in late 2023. The Sri Lanka Ports Authority, in collaboration with the Asian Development Bank, extended an invitation to SLFFA to join the Port Community System Awareness Workshop. The port of Rotterdam (RTM) shared their experience on their PCS. RTM is a Transshipment Hub with 80% T/S. The framework of the platform was presented by KPMG. They highlighted the reduced steps (efficiency) whilst only a few manual steps will remain. KPMG has had joint meetings with the Terminal Operators and SLPA to finalize the Business Process Re-engineering Deliverables. In addition, they were finalizing the Functional Requirement Specification of the PCS with SLPA and SL Customs at the time of preparing this report.

The PCS (Port Community System), which is a neutral and open electronic platform enabling intelligent and secure exchange of information between public and private stakeholders to improve the competitive position of the sea and airports communities. At the outset this platform optimizes, manages, and automates port and logistics processes through a single submission of data connecting transport and logistics chains. This project that is funded by the ADB is a crucial step port digitalization that engages many stakeholders including Forwarders, Agents, Terminals, Depots, Customs, Port Authorities, Importers, Exporters, Road Haulers, etc., Some of the main features of the PCS are that it caters to Vessel Management, Transshipment operations, Imports & Exports, Bonding processes, Empty container processes, Port operations etc.,

#### DIRECTOR GENERAL OF MERCHANT SHIPPING (DGMS)

The new shipping regulations in Sri Lanka, which were published in the Gazette Extraordinary on May 31, 2023, have several important changes. One of the most significant changes is that licensed service providers (LSPs) can no longer charge "zero freight" on containerized cargo. This means that all charges related to the carriage of goods from the origin to destination must be included in the all-inclusive freight specified in the bill of lading. Another important change is that LSPs can now charge a delivery order fee from importers in Sri Lanka. However, this fee must be payable in Sri Lankan rupees and must be informed to the Director-General of Merchant Shipping and competitive. They will also help to ensure that importers and exporters are not overcharged for their shipping costs.

The Ocean Freight Sub-Committee of SLFFA, wishes to thank the Office Bearers, the Advisory Committee, and the Secretary General of SLFFA for all the support given during the year. SLFFA stands with its membership in working on solutions to its members.



## Sub-Committee Reports

### SLFFA Training and AITT

#### AITT Board of Directors



Mr. Channa  
Gunawardena



Mr. Andre  
Fernando



Mr. Shayindra  
Dias



Mr. Diren  
Hallock



Mr. Niral  
Kadawatharatchie



Ms. Tania  
Polonnowita  
Wettimuny



Mr. Kingsley  
Abeywickrama

#### Sub-committee



Mr. Navin Perera  
Chairman



Mr. Suminda  
Hettiarachchi  
Dep. Chairman



Mr. Chandana  
Perera  
Member



Ms. Nadeeka  
Bandarigoda  
Member



Mr. Nilantha  
Kanakaratne  
Member

The period under review brought about new trends in Digitalization. The representatives of the Sub-Committee along with the Office Bearers represented many forums and held discussions with local and foreign authorities and representatives of various donor and support agencies. Officials of Government Departments such as the Sri Lanka Customs, Sri Lanka Ports Authority (SLPA), Director General Merchant Shipping (DGMS), etc., and foreign agencies such as the World Bank, GIZ, UNTAD, were among those that held several discussions in terms of Risk Mitigation, Electronic Information Exchange, and Processes Facilitation. A synopsis of progress made across these areas is presented here.

## Forging the Future of Logistics: Our Commitment to Capacity Building

### ACADEMY OF INTERNATIONAL TRADE AND TRANSPORT

The Academy of International Trade and Transport (AITT) is the premier training institution dedicated towards nurturing the next generation of logistics professionals. As the training arm of SLFFA, AITT is committed to providing comprehensive and industry-relevant education and certifications.

Recognized for its excellence, AITT is the only institute to receive endorsement by prestigious international organizations such as the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) and the International Federation of Freight Forwarders Associations (FIATA). Additionally, AITT holds the status of an Accredited Training School (ATS) of the International Air Transport Association (IATA) and is approved by the Directorate of Merchant Shipping under the Ministry of Ports & Aviation.

AITT has successfully transitioned its training programs to an online format. This innovative approach has enabled us to deliver high-quality education while providing greater flexibility and accessibility for our students both locally and internationally. Through interactive live Zoom sessions, students can actively engage with instructors and peers, ask questions, and participate in discussions. Additionally, online assessments and assignments allow for convenient completion and timely feedback.

This digital transformation has not only expanded our reach to students from around the world but has also accommodated the diverse schedules and commitments of our learners. The lecture recordings along with the lecture material are shared where the students can even at a later date refer for any further clarity.

### AITT'S TRAINING PROGRAMMES

AITT offers a comprehensive range of training programs to cater to diverse learning needs.

These courses include:

- **The Foundation Course in Multi-Modal Transport and Logistics:** Designed for school leavers and individuals seeking an entry into the logistics industry, this course provides a solid foundation in the fundamentals of multi-modal transportation and logistics.
- **The Certificate Course in Freight Forwarding and Multi-Modal Transport:** Targeted at those looking to enhance their industry knowledge, this course covers advanced topics in freight forwarding and multi-modal transportation. It is also a mandatory requirement for businesses to have at least two staff members qualified in this course, as approved by the Director General of Merchant Shipping (DGMS).
- **The FIATA Diploma in Freight Forwarding and Logistics:** This internationally recognized qualification is ideal for professionals aiming to advance their careers in the freight

forwarding industry. The diploma offers in-depth knowledge and skills required for senior roles.

Over the period under review, AITT conducted exams for 2 batches of the Foundation course, 2 batches of the Certificate course and 3 modules of the FIATA course using Moodle. This concludes with a total of seven examination batches being successfully conducted via online media.

Furthermore, AITT conducted an award ceremony for the last batch of students along with the inaugural National Logistics Awards (NLA) held at the Shangri-La Hotel, Colombo. The ceremony consisted of:

- 42 Foundation students
- 73 Certificate students
- 30 FIATA International Diploma students

Students who topped their respective batches of the Foundation and Certificate courses were recognized with medals as well.

### PROGRESS OVER THE CURRENT YEAR

This year, over 100 students attended online lectures across all 3 courses with keen interest. Their awards ceremony is expected to be carried out by the end of this year. Furthermore, SLFFA hopes to expand its online presence by facilitating industry panel discussions / online seminars by providing a voice for the stake holders to view their ideas opinions whilst enhancing the knowledge.

### DGR TRAINING – IATA INITIAL AND RECURRENT COURSES

AITT carried out eight training sessions of Competency-Based Training and Assessment (CBTA) during the period under review. A total of 125 students took part in these courses, to upgrade their knowledge on the handling of DG. These comprised:

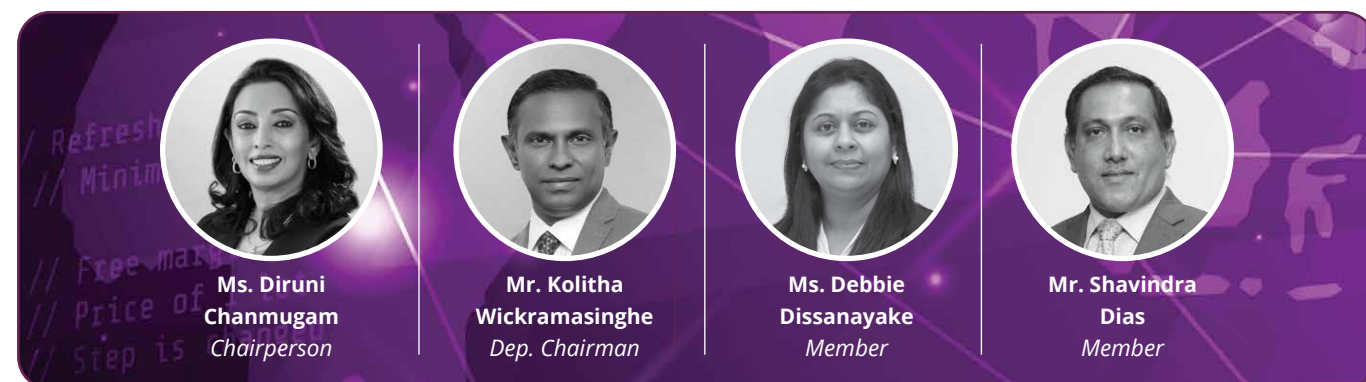
- 5 recurrent training sessions – 72 students
- 3 initial training sessions – 53 students

We have already taken initiatives to further expand our cooperation with IATA to expand the training programs offered by IATA in Sri Lanka. Furthermore, we have extended an invitation to students in neighbouring countries such as India, Bangladesh and Maldives to join the programmes conducted.

Finally, we would like to express our heartfelt gratitude to our Course Director, the course team, and the expert panel of lecturers for your outstanding contributions to AITT. Your dedication to providing exceptional training and education is a testament to your commitment to nurturing the next generation of logistics professionals. Our expert panel of lecturers, with their deep industry expertise and real-world experience, have been invaluable in delivering cutting-edge curriculum.

## Sub-Committee Reports

### New Membership Promotion and Evaluation



SLFFA, being the premier Association representing the Logistics and Freight Forwarding industry in Sri Lanka with a mission to promote professionalism and excellence in the trade, has, over the years, has attracted a strong membership of leading Freight Forwarding companies in the country since inception. SLFFA, as a leading industry association, stands committed to its valued membership, constantly reviewing and exploring forward-looking initiatives to help companies implement improvements to emerge stronger amidst these turbulent times.

Today, SLFFA represents a total membership of 179 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 towards empowering our members as well as the recognition that SLFFA has gained among industry stakeholders. During the year under review, SLFFA membership grew significantly; 15 new members have joined the association as of March 2024. Despite the challenging times faced by all industry stakeholders, the growth in membership numbers is a positive sign.

Partnership 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 & 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)



### LEGAL REVIEW

#### SLFFA Articles of Association (AOA)

The Sub-Committee was tasked with amending the existing Articles of Association (AOA) of SLFFA, a project handed over to the renowned legal firm D.L. & F. De Sarams. The initial assessment and proposed amendments were identified by the Sub-Committee, with the concurrence of the Executive Committee (ExCo). These amendments were communicated to the external legal team for incorporation into the new AOA and by-laws.

After several rounds of revisions and comprehensive reviews taking into account the current business environment, the final draft of the AOA and by-laws is nearing completion. This represents a significant revision and update, as the articles are being revised for the first time in nearly 40 years. After the finalization the amended AOA and By-laws will have to be adopted by the membership in

terms of the provisions of the AoA and statutory forms will be filed with the Registrar of Companies (RoC) to record same.

#### Debtor Data Base (DDB)

In 2022/2023, the Sub-Committee undertook the revamping of the Debtor Data Base (DDB), addressing practical challenges and shortcomings of the previous system. The earlier method of maintaining a list of debtors was cumbersome, leading to limited member participation.

The ExCo decided to implement a simpler system, providing a centralized list of 'Reported Debtors' accessible to all SLFFA members. The revamped DDB was officially launched on March 16, 2023, following a detailed study and the Sub-Committee's efforts. However, since its launch, the engagement of SLFFA members in this initiative has not increased to expected levels.



## Sub-Committee Reports

### Legal & Insurance Assistance (Freight Forwarders' Liability Insurance)

The new system allows SLFFA members to disclose reported debtors, enabling others to check the database before engaging in business. This initiative is particularly relevant in the current economic downturn, helping members mitigate risks and liabilities. However, despite the system's benefits, member engagement has fallen short of expectations due to unforeseen challenges. The current Sub-Committee is focused on finding ways to enhance member participation.

#### SLFFA Standard Trading Conditions (STC)

The review and amendment of SLFFA's Standard Trading Conditions have been entrusted to Dr. Niranjana Abeyratne and his legal team, and many discussions were held with him to ensure that Dr. Abeyratne provides a draft to meet the requirements of SLFFA membership, using his legal expertise. The current committee expanded the horizons of this project to include the option of dispute settlement through arbitration and setting up of an Arbitration Center consisting of a panel of retired judges and industry experts which, once implemented, will be another service provided by SLFFA to the membership. The discussions are ongoing with Dr. Abeyratne and among the sub-committee, with the aim of ensuring that the trading conditions remain relevant and practical in the evolving freight forwarding industry and inclusion of arbitration while not depriving the membership the ability to litigate if desired.

#### Liability Insurance Review

The Sub-Committee, with the consent of the ExCo, is in the process of obtaining new quotations and proposals for the 2023/2024 period to secure better insurance benefits for members. During 2022/2023, proposals were obtained from Fairfirst Insurance, HNB Assurance and People's Insurance; this is a recurrent process to for the benefit of the SLFFA's membership.

The Sub-Committee intends to identify the issues the membership is currently experiencing in insurance, by way of a Google-based survey and will negotiate mutually beneficial terms with the insurance providers, to cover the issues so identified aiming to attract more member companies to opt for Freight Forwarders Liability Insurance.

The Sub-Committee, under SLFFA's direction, is planning to reach out to insurance service providers to secure enhanced liability insurance coverage for freight forwarding, aligning with the latest developments in the freight forwarding industry for 2024/2025

In order to increase awareness among SLFFA members, the Sub-Committee plans to organize information sessions with existing insurance partners, including Allianz Insurance, to introduce and educate members about the benefits of the proposed policies.

## Sub-Committee Reports

### Publicity, Social Affairs, Website, CSR & Digital Media



#### 'MOVERS & SHAKERS' - SLFFA DINNER DANCE

THE SLFFA's 'Movers and Shakers' Dinner Dance was held on 21st July 2023, at the prestigious Shangri-La Hotel, Colombo. The event saw 656 people gather, amidst a sense of grandeur and expectation. This event was more than simply a celebration; it was a symphony of elegance and rhythm, painstakingly organised by SLFFA. The bright theme celebrated both our professional competence as 'movers' of cargo and our enticing grace as 'shakers' on the dance floor.

#### The Pinnacle Event of SLFFA: The Ultimate in Elegance

The 'Movers & Shakers' Dinner Dance stood out as the centrepiece of SLFFA's annual calendar, a prominent event that members anxiously anticipated due to its exquisite blend of beauty and delicacy. As the centre of the logistics and goods forwarding sector, this evening exemplified our solidarity, friendship, and joy over our shared accomplishments. Every aspect of the event, from the tastefully decorated venue to the well-thought-out program, exuded refinement and showcased the best that the SLFFA has to offer.

#### A Magnificent Turning Point: From Tickets to Spotlight

In a matter of days, enthusiastic attendees eagerly snapped up the tickets for this highly anticipated event, demonstrating the theme's magnetic appeal and the excitement around it.

This unquenchable desire highlighted the significance of the occasion, serving as a focal point for the elite of the industry. The overwhelming amount of sponsorship requests and partnership proposals that the organising committee received was another evidence of the event's tremendous success and a testament to its stature.

#### Two bands, one unforgettable night—a Rhythmic Rhapsody

The gala event evolved into an auditory and artistic masterwork with not one, but two captivating live ensembles providing a stunning musical backdrop. The dance floor turned into a joyful expression canvas, encapsulating the solidarity and one goal that characterise the SLFFA. The event continued until the wee hours of the morning, ending with a pleasant twist—a real Sri Lankan breakfast that brought a fitting conclusion to this joyful symphony.

The 2023 'Movers & Shakers' Dinner Dance was more than just an occasion; it turned into a remarkable event that will live on in the history of Sri Lanka Logistics and Freight Forwarders Association. It was an occasion to commemorate our sector's vitality, demonstrating our solidarity as "movers" and "shakers," and a moving expression of the spirit of the SLFFA.

Sub-Committee Reports

Publicity, Social Affairs, Website, CSR & Digital Media

**CORPORATE SOCIAL RESPONSIBILITY (CSR) BY SLFFA**  
The desire to change the world is at the core of all great endeavours. As a cornerstone of our commitment to form a better society, we at SLFFA acknowledge the infinite relevance of Corporate Social Responsibility.

Despite the ups and downs of our industry, we never waver in our commitment to foster optimism and produce constructive shift inside our community. Our dedication to the growth of the Lady Ridgeway Children’s Hospital is strong and unwavering, guided by this ethos. This noble cause represents our commitment to growth and healing and strikes a deep chord with our collective spirit. Therefore, we have outlined a schedule of initiatives for the coming year that aim to empower, inspire, and spread sunshine with this idea in mind.

Over the years, SLFFA has always donated the proceeds of the SLFFA Dance event as its CSR project to support Lady Ridgeway Hospital Colombo (LRH) and continued its efforts for 2023. This year, SLFFA donated Rs. 2 million worth of medical equipment to the hospital. These included patient trolleys, ‘PEG’ catheters, waiting chairs, mothers’ chairs, an LED TV and refurbishment of the main theatre’s reception hall. SLFFA hopes to continue this CSR project with Lady Ridgeway Hospital in the coming years.

- SLFFA CONTINUES ON A HIGH, WITH THE FOLLOWING EVENTS PLANNED FOR 2024.**
- Print Media Daily FT Publication by SLFFA on National Logistics Day – August 16th of 2024.
  - SLFFA AGM & AITT Awards - 24th of September 2024 – Cinnamon Grand, Colombo.
  - National Logistics Awards by SLFFA - 23rd of October 2024 – Shangri-La Hotel, Colombo.
  - SLFFA Members Night - 13th of December 2024 – Monarch Imperial, Sri Jayewardenepura, Kotte.

Sub-Committee Reports

Digitization/Research & Development / Statistics



**Ms. Suharshani Welegama**  
Chairperson



**Mr. Rakitha De Silva**  
Member



**Mr. Hirantha Wijeratne**  
Member



**Ms. Dhashma Karunaratne**  
Member



**Ms. Aindreenie Ranmuthugala**  
Member



**Mr. Danushka Perera**  
Member



**Mr. Amith Gajanayake**  
Member

**Introduction**

SLFFA continues to honour its foundational principles while proactively seeking to advance and modernize the freight forwarding industry in Sri Lanka. As the apex body of the Sri Lankan logistics and freight forwarding industry, SLFFA is dedicated to fostering growth through innovation and the adoption of new technologies. The Research & Development (R&D) Sub-Committee’s latest initiatives encompass both digitization and modernization, reflecting a forward-thinking approach designed to drive progress and enhance the industry’s overall performance.

- PREVIOUS RESEARCH INITIATIVES (2019-2021)**
- The previous R&D Sub-Committee (2019-2021) focused on identifying research gaps within cross-border logistics in Sri Lanka, covering ports and customs operations. Their work included:
- Addressing the shortfalls in the existing ocean freight import and export processes.
  - Analysing the logistics industry's contribution to GDP.
  - Developing a standardized process map for cross-border logistics in Sri Lanka.
  - Compiling a comprehensive methodological framework for logistics process movement, with voluntary support from the Faculty of Engineering at the University of Peradeniya.

- ONGOING AND FUTURE INITIATIVES**
- Drawing from the experience of industry veterans who have represented SLFFA at numerous regional forums such as FAPAA, FIATA, and UNESCAP, the current R&D Sub-Committee has identified key areas where Sri Lanka lags behind neighbouring countries. These include:
- Technical advancements
  - Digitization (paperless processes)
  - Cargo community networks
  - Single windows for trade facilitation
  - Logistics education
  - Sustainability in alignment with UN SDGs
  - Critical updates needed in the Customs Ordinance



## Sub-Committee Reports

### Digitization/Research & Development / Statistics

These areas significantly impact the ease of doing business in Sri Lanka and have contributed to the country's low ranking on the World Bank's Logistics Performance Index (LPI). Recognizing the importance of addressing these challenges, the SLFFA R&D Sub-Committee has initiated a dialogue with World Bank representatives in Sri Lanka. They are advocating for a more accurate and realistic assessment of the LPI, highlighting that the current evaluation process lacks comprehensive stakeholder input and does not fully reflect the progress made by the country in key areas such as infrastructure, processes, digitalization, and ease of doing business.

#### STRATEGIC OBJECTIVES

To address these challenges and leverage opportunities, the R&D Sub-Committee plans to:

- **Study Current Processes:** Analyse multimodal logistics processes in Sri Lanka, including import, export, transshipment, MCC (Multi-Country Consolidation), Air-Sea, and Sea-Air operations.
- **Value Chain and Cost Analysis:** Evaluate the value chains and cost structures associated with these processes to identify areas for improvement.
- **Bottleneck Identification:** Identify bottlenecks and barriers hindering the efficiency of logistics operations.
- **Benchmarking:** Collect and compare data from competitive logistics hubs such as Singapore and Jebel Ali and establish KPIs to measure and benchmark performance.
- **Knowledge and Expertise Development:** Address knowledge gaps and enhance expertise within the industry through targeted education and training initiatives.
- **Data Accessibility:** Improve access to vital statistics and information, which is currently a significant setback for the logistics industry.

#### ENGAGEMENT AND AWARENESS

The R&D Sub-Committee proposes initiating awareness campaigns and workshops to engage all stakeholders, including universities, to create momentum around the National Export Strategy (NES) and the National Shipping and Logistics Policy. These initiatives have, so far, been limited to documentation and public declarations without practical implementation.

#### PUBLICITY AND PROMOTION

Sri Lanka possesses a multitude of strategic advantages such as adequate infrastructure, strategic location, and industry expertise. However, the country's potential in areas such as MCC, transshipment consolidation, Air-Sea and Sea-Air connectivity,

Freeport Hub operations, and value-added services remains underpublicized at both national and international levels. The committee seeks to change this by increasing visibility and promoting these strengths more effectively.

#### COLLABORATION WITH ACADEMIA

The Sub-Committee recognizes the advantage of collaborating with academic institutions such as the University of Peradeniya's Logistics Faculty, as well as other government or private universities, to support ongoing research and development initiatives. The new Sub-Committee plans to build on previous efforts by conducting a study on current MCC operations and identifying challenges and gaps in boosting Sri Lanka's freight transportation systems.

#### EFFICIENT TRANSPORT SYSTEM

A robust and efficient transport system is essential for the success of the logistics industry. As such key characteristics of such a system include:

- **Multimodal Infrastructure:** Well-designed and well-maintained infrastructure that supports various transport modes, including container haulage, LCL haulage, and domestic consumable haulage.
- **Scalability:** The system should be flexible, with the capacity to expand and upgrade as needed, allowing for growth without exceeding foreseeable demand.

In anticipation of advancing these initiatives, members of the SLFFA R&D Sub Committee members were invited by the Ministry of Transport to participate in a forum aimed at revisiting and enhancing the sector, which was well-represented at this forum held in May 2024.

#### CONCLUDING REMARKS

The R&D and Digitization Sub-Committee urges SLFFA members to actively participate in these endeavours by sharing innovative suggestions, ideas, and practical challenges encountered.

Member engagement is vital for achieving workable solutions and fostering industry growth. Together, we can ensure that the Sri Lankan freight forwarding industry not only keeps pace with global advancements but also thrives in the years to come.

## Key Events

### CSR 2023



### 42nd Annual General Meeting





## Key Events

## DGR Initial and Refresher courses 2023

Initial



Refresher

## Events



WTO World Bank meeting



ITC organized WTO TFA workshop



## General Membership Meeting 2024

## SLFFA General Membership Meeting 2024

22<sup>nd</sup> March 2024

## PUBLICITY AND SOCIAL AFFAIRS SUB-COMMITTEE UPDATE

## 3. Social Media Updates (Website / FB / LinkedIn)

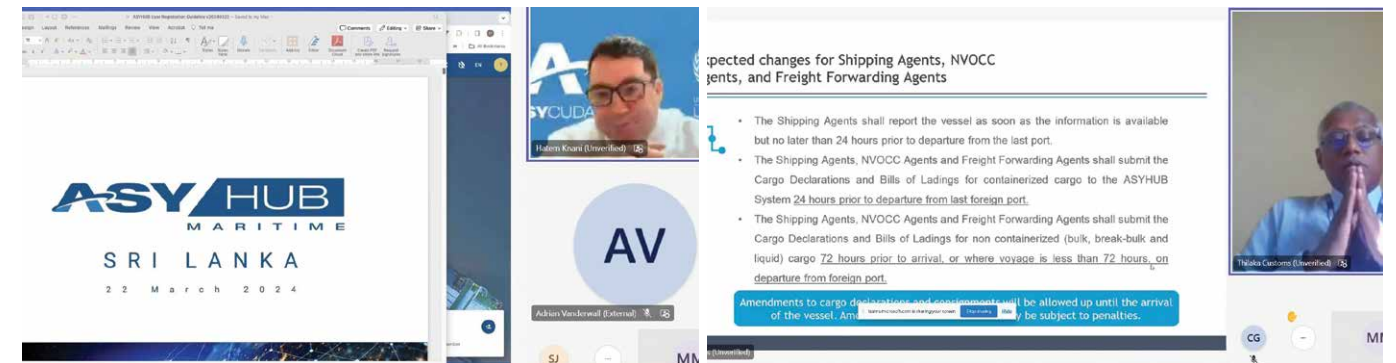
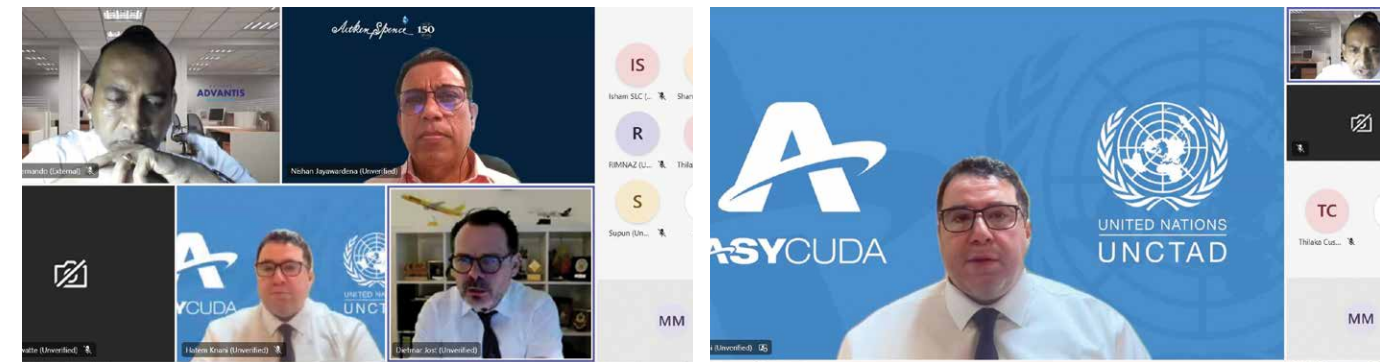
- Facebook and LinkedIn platforms have been activated to provide regular updates to members.
- These platforms will be developed further to connect better with the members.
- We kindly request membership to Like, Follow, Share and Comment on posts to promote SLFFA.

LEGAL & INSURANCE ASSISTANCE SUB-COMMITTEE  
PROGRESS UPDATE

## THE SCOPE OF WORK FOR THE ADOPTION OF SLFFA'S NEW ARTICLE OF ASSOCIATION

- The AGA is at near completion with our external legal team (D.L & F. DE SARAM). The reworking process has taken several rounds of revisional amendments.
- The By-laws have been formulated and released.
- We are awaiting the final drafts from the external legal team for final approval of the Executive committee members to be released to the membership.
- The status of SLFFA Debtor Data Base released in March 2023.
- The DDB was re-launched on 16<sup>th</sup> March 2023.
- Effective 1<sup>st</sup> April 2023 we were expecting the membership to actively engage in this exercise.
- The current status (Debtor Reporting)
- Registered number of members in DDB is 95 out of 173 member companies.
- The regular debtor reporting members varies between 15 to 20 maximum.
- A progress review on the DDB along with further awareness in optimizing tangible benefits through this programme is planned through a session with the external legal team led by Dr. Niranjan Abeysinghe.

## Webinar on ASYHUB





## Key Events

## National Logistics Awards 2024 Workshops



Workshop I



Workshop II

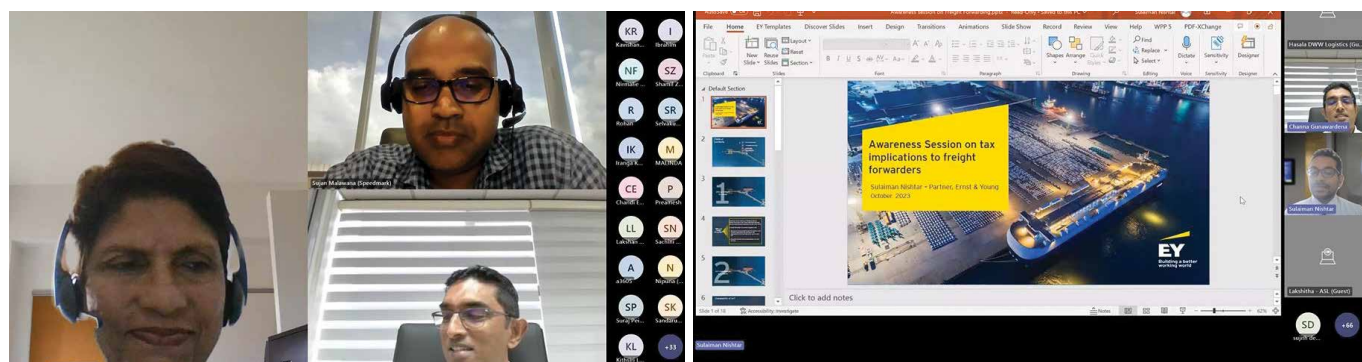
## Subcommittee Meetings



Legal subcommittee

Ocean subcommittee

## Webinar on Freight Forwarders All Liability Insurance Policy



Webinar Insurance

Webinar VAT reforms projection and implications on Freight Forwarders

## Global Logistics Report

The Global Logistics market size accounted for USD 8.96 trillion in 2023, and it is expected to be worth around USD 21.91 trillion by 2033, with a noteworthy CAGR of 9.35% from 2024 to 2033.

The Asian Pacific logistics market size was valued at USD 3.95 billion in 2023 and is expected to reach around USD 10.67 billion by 2033 with a CAGR of 10.45% from 2024 to 2033. North America is anticipated to grow at a significant CAGR during the analysis period. The region's growth can be attributed to the existence of a well-developed infrastructure in terms of road and rail connectivity. The US is the primary logistics market, with a highly combined supply chain network that connects consumers and producers through various modes of transportation, such as express and air delivery services, rail, truck transport, and maritime transport.

In 2023, the European logistics market accounted for the second-largest market share. The market's growth is being fuelled by expanding e-commerce trends as well as a region that is becoming increasingly reliant on it. European countries are financing logistics research and development. Furthermore, the logistics market in Germany had the largest market share, while the logistics industry in the United Kingdom was the fastest-expanding market in the European region.

In 2023, the roadways segment held the majority share. The roadways segment has grown in response to increased demand for roadway vehicles to transport retail products over long distances, particularly in domestic markets. Furthermore, improved road connectivity in developing nations, as well as excellent road connectivity in all developed countries, is vital in driving the expansion of the highway mode of transportation. Most Tier 2, as well as Tier 3 cities in various countries are well linked by roadways, allowing retail logistics companies to deliver and pick up products in a quicker and more efficient manner.

## GLOBAL AIRFREIGHT SECTOR

In the Global Air Freight industry, 2023 ended better than it began. After having registered good results during the pandemic, particularly in 2021, the industry faced major challenges in 2022. The slowdown in world trade and economic growth, the war in Ukraine, the growth in inflation on the leading markets, and high oil prices all created strong downward pressure on volumes. Traffic in tonne-kilometres began to contract in early 2022, and this trend continued until July 2023.

Since then, traffic has started progressing again on a year-on-year basis, but is not sufficient enough to make 2023 an overall year of growth. According to IATA's provisional estimates, traffic totalled 245 billion tonne-kilometres in 2023. This represents a 1.9% reduction in comparison to 2022 traffic overall and a 2.2% reduction in international traffic alone.

On the other hand, passenger traffic recovered strongly, and airlines responded by bringing a significant amount of capacity back into service. The growth in the number of mixed passenger-cargo flights resulted in an automatic increase in overall freight capacity. In tonne-kilometres, capacity rose 11.3% over 2022 overall and 9.6% in the international segment.

The air freight industry had a soft landing in this respect and even saw rates stabilise in the second half of 2023. IATA noted, "On an annual basis, cargo yields in 2023 decreased by 32% from the historic highs of 2022 yet remained 42% higher than the pre-pandemic levels." The year-on-year decline took account of the reduction in fuel surcharges. The price of fuel was 41% above its 2019 level but 19% down on its 2022 level.

Despite the recovery seen in the final quarter of 2023, the air freight industry's prospects in 2024 remain relatively unfavourable. IATA expects demand to increase, resulting in a 4.5% increase in traffic in tonne-kilometres. A marked fall in freight rates is expected,



Global Logistics Report

however, as average yields fall from \$2.53/kg in 2023 to \$2/kg in 2024. This figure, nevertheless, remains well over the \$1.79/kg rate registered in 2019.

The global air freight industry is expected to see its cargo revenues fall for the third consecutive year in 2024. IATA expects revenues this year to total \$111.4bn, compared to \$134.7bn in 2023, \$206.5bn in 2022, and the high point of \$210bn in 2021.

GLOBAL SEA FREIGHT SECTOR

The 2023 Global Sea Freight report highlights several key trends and developments that have shaped the industry over the past year. Ocean freight costs fell below pre-pandemic levels, continuing a trend seen in 2022. The demand for sea freight decreased significantly, driven by reduced consumer spending on high-value goods due to economic uncertainties and inflationary pressures.

The industry has seen an increase in new vessel deliveries, including large “Megamax” and “Neopanamax” ships, contributing to an anticipated oversupply of shipping capacity. This surplus is expected to lead to intense competition and potential price reductions, impacting profitability.

The conflict in Ukraine had a substantial impact on global shipping, with the closure of Black Sea ports causing congestion and delays. Additionally, the decline in Ukraine’s exports contributed to global price hikes, especially in grains and food products.

The expansion of BRICS (Brazil, Russia, India, China, and South Africa) to include countries like the UAE and Saudi Arabia is expected to alter international trade routes and introduce new dynamics to the shipping industry. This expansion supported infrastructure development and presented new market opportunities.

Consumer spending trends shifted, with a significant reduction in nonessential retail spending. This change directly impacted the demand for shipping containers as retailers adjusted to the lower demand for imported manufactured goods.

Overall, the sea freight industry in 2023 marked a decreased demand, an increase in shipping capacity, and significant geopolitical and economic influences. These factors are likely to shape the industry in 2024 and beyond, with ongoing adjustments to consumer behaviour, technological advancements, and geopolitical developments.

SLFFA Cargo Services Limited



SLFFA Cargo Services Ltd has proudly completed 3 decades of excellent service to the logistics & freight forwarding community in Sri Lanka, as the company celebrates its 30th anniversary this year. The year under review has been a mixed-bag due to various factors which have been explained in this report. The marginal decrease in volumes during the year, have been due to the ripple effect of the economic recovery efforts faced by the nation, following a very volatile period in the preceding year. During the period under review, a substantial part of cargo handled once again, has been general cargo followed by fabrics and accessories for the garment industry.

Our shareholders have accounted for 76% of the cargo while other members of Sri Lanka Logistics & Freight Forwarders Association (SLFFA) brought in 17% and 7% from non-SLFFA members. Going forward, we will need the continued support from members of SLFFA, particularly as our feedback from customers is that we provide an efficient, speedy and customized service. Towards this

goal, SLFFACSL have revised our tariff to compete effectively with Sri Lankan Cargo.

The total turnover of the Company had increased by 10% from Rs.323.30 M in the previous year to Rs.356.12 M this year. However, though cargo volumes have increased this year, the Gross Profit of the Company has decreased by 0.4% from Rs.184.79 M in the previous year to Rs.183.92 M this year, owing to the increased salaries and rent/electricity charges levied by Airport and Aviation Services Limited (AASL). However, the Company was able to minimize the cost escalation with a determined effort by all staff, coupled with a cost cutting drive.

The Administration and Establishment costs have increased substantially to Rs.187.28 M this year representing 42% due to the considerable increase in salaries/allowances paid to all staff to help them cushion the drastic increase in COL and other factors stated above. The Rent expenses have increased by 16% this year representing 22%.



SLFFA Cargo Services Limited

The Company has succeeded in maintaining maximum efficiency levels in spite of lean management measures undertaken. The staff turnaround for the year has increased to 40%, compared with 13% in the previous year. The turnaround was particularly from junior out-sourced staff categories of Cargo Assistant and Loader. The main factor for the high staff turnover this year has been due to the difficulties in coping with the instability in the country, nature of work involved and related issues. We have continued to take measures to improve HR practices with regular on-the-job training and staff promotions based on merit, loyalty and efficiency.

The Board of Directors continue to engage with the authorities concerned for handling of import groupage 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 continuing to work on plans to operate a fully-fledged Cargo Handling Terminal (CHT), although there have been a few drawbacks faced in this regard. 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.

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 recovery mechanism being strongly resisted by the trade. Consequently the need for SLFFACSL to commence the 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 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, 12 leading Airlines and 6 GSAs successfully executing E-AWBs via CCNhub. SLFFACSL would like to encourage 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 services through SLFFACSL in Sri Lanka.

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

SLFFACSL is closely monitoring the moves to privatize Srilankan Airlines and its impact on the Air cargo industry particularly in relation to the monopoly position of ground handling services hitherto enjoyed by them. The reality is that SLFFACSL is 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 well managed. Whilst SLFFACSL sincerely appreciates the support extended over the years, on the part of shareholders and all members of SLFFA as a whole, the Company looks forward to their continued patronage in the future too.

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	ACA Global Logistics (Pvt) Ltd	500/112, Thimbirigasyaya Road, Colombo 05	112301305
6	ACE Cargo (Pvt) Ltd	315, Vauxhall Street, Colombo 02	2446692, 2308005
7	ACE Distriparks (Pvt) Ltd	775/5, Negombo Road, Mabole, Wattala	2944500
8	ACME Logistics (Pvt) Ltd	487/8, Upali Liyanage Mawatha, Pannipitiya Road, Pellowatte, Battaramulla	114199211
9	Advantis Freight (Pvt) Ltd	"Thurburn Wing" 400 Deans Road, Colombo 10	2167777 / 2167705
10	Agacia Ceylon (Pvt) Ltd	No. 478, Kandy Road, Kelaniya	112915990
11	Air Marine Logistics (Pvt) Ltd	No. 171 - 1/3, Kynsey Road, Colombo 08	4655000
12	Airsea Worldwide (Pvt) Ltd	No. 171 - 1/5, Kynsey Road, Colombo 08	11 2682193
13	Aitken Spence Cargo (Pvt) Ltd	315 Vauxhall Street, Colombo 02	11-2308330
14	Aitken Spence Shipping Ltd	2nd Floor Aitken Spence Tower II, 315 Vauxhall Street Colombo	2308100 ext. 3730 2308135(D)
15	APL Logistics Lanka Freight Forwarding (Pvt) Ltd	#8, 3/3, York Arcade Bldg, Leyden Bastian Road, Colombo 1	2031500
16	APS Logistics International (Pvt) Ltd	77 Park Street, Colombo 02	112128400
17	Aramex Freight Corporation Lanka (Pvt.) Ltd	745/50 & 745/50 1/1, Dr. Danister De Silva Mawatha Colombo 09	4728100
18	Aronik Logistics (Pvt) Ltd	No. 18, Macleod Road, Colombo 04.	112058798
19	Asante CMB (Pvt) Ltd	248, Thibirigasyaya Road, Colombo 05	112227227
20	ASB Freight (Pvt) Ltd	255/2 Kirula Road, colombo 5	5111806
21	Asia Pacific Logistics International (Pvt) Ltd	No 157, 3/2, (3rd Floor), Dharmapala Mawatha, Colombo 7	4722250 –9
22	ASL Logistics (Pvt) Ltd	45, Ground Floor, Lukmanjee Square, Grandpass road, Colombo 14	112327188
23	Benchmark Logistics International (Pvt) Ltd	No. 35, Temple Road, Colombo 10	0112681011-16
24	BISELKO International (Pvt) Ltd	151, 2nd Floor, Galle Road, Colombo 03	112303423
25	Bollore Logistics Lanka (Pvt) Ltd	Level 3, Setmil Maritime Centre, No. 256, Srimath Ramanathan Mw, Colombo 15	4705900
26	Bridges Worldwide (Pvt) Ltd	66, Vivekananda Hills, Colombo 13	117761700
27	C F Global Lanka (Pvt) Ltd	10, 1st Floor, Prince Alfred Towers, Alfred House Gardens, Colombo 03	0112553771-2
28	C.H. Robinson Worldwide Freight Lanka (Pvt) Ltd	347/1 3rd Floor, Dr. Colvin R De Silva Mawatha, Colombo 02	0114 415 600
29	Cargo Boat Co. Ltd	64A Vivekananda Hill, Colombo 13	2422241 / 5554600
30	Cargomate (Pvt) Ltd	No. 116/3, Havelock Road,Colombo 05.	112555654
31	Cargoplan International (Pvt) Ltd	Access Tower, Level 6, 278 Union Place, Colombo 02.	2305476 / 2304720
32	Cargoserv Shipping Ltd	No 1, Alfred House Avenue, Colombo 3	011-4522000 / 011-4511012
33	CEF Logistics (Pvt) Ltd	No. 62/11, E D Dabare Mawatha, Colombo 05	112055002
34	Ceva Logistics Lanka (Pvt) Ltd	DHL Logistics Park, 81/3, Negombo Road, Peliyagoda	112167800
35	CL Synergy Ltd	No. 30, 6th Floor, R. A. De Mel Mawatha, Colombo 3	5300250
36	Clarion Logistics (Pvt) Ltd	No. 88, Level 3, Justice Akbar Mawatha, Colombo 02	5877050

Member Directory

SLFFA MEMBER COMPANY		ADDRESS	TELEPHONE
37	Clarion Shipping (Pvt) Ltd	East Wing, Ground Floor,No. 400, Deans Road, Colombo 10.	112462903
38	Colombo Logistics World (Pvt) Limited	63/1 Ward Place Colombo 07	777760722
39	Crest Container Lines Colombo (Pvt) Ltd	No. 9 A, R A De Mel Mawatha, Colombo 05	112058380
40	Crown City Developers (Pvt) Ltd	115/9A Cotta Road , Rajagiriya	
41	CWF Logistics (Pvt) Ltd	No 161 A, Dharmapala Mw, Colombo 7	112680697
42	CWT Globelink Colombo (Pte.) Ltd	2nd Floor, Forbes & Walker Building, 46/38, Nawam Mawatha, Colombo 02	4723588
43	D. B. S. Logistics Limited	Level 2, Prince Alfred Tower, No. 10 Alfred House Gardens, Colombo 03	7557000
44	Dahnay Logistics Lanka (Pvt) Ltd	Ground Floor, Parkland 1, No. 33, Park Street, Colombo 02.	112305301
45	Dart Global Logistics (Pvt) Ltd	260, Sri Ramanathan Mawatha, Colombo 15	4609600 4609660
46	Dellogistics (Pvt) Ltd	30/44 Logdon Place, Colombo 7	5850716
47	Dellogistics International (Pvt) Ltd	No. 132/1/1, J E Gunasekara Mw, Colombo 10.	112504360
48	DelShipping and Logistics (Pvt) Ltd	101, Vinayalankara Mawatha, Colombo 1	117729570
49	DFL Global (Pvt) Ltd	No. 307, 3rd Floor, George R De Silva Mawatha, Colombo 13	112440724
50	DHL Global Forwarding Lanka (Pvt) Ltd	DHL Logistics Park, 81/3, Negombo Road, Peliyagoda	7321321 ext.1255
51	Dinlanka Logistics (Pvt) Ltd	No. 320/7 - 1/2 Galle Road, Kollupitiya, Colombo 03	2370909
52	DP Logistics (Pvt) Ltd	941, Pannipitiya Road, Pelawatta	114723946 / 0114423377 / 0117391580
53	DRH Logistics Lanka (Pvt) Ltd	No. 7, Galle Face Terrace, Colombo 03	5371000
54	DSH Global Logistics (Pvt) Ltd	No 40/26, Metro Building, Malay Street, Colombo 02	112929740
55	DSV Pership (Pvt) Ltd	Rainbow Business Centre, Level 3, 135, Bauddhaloka Mawatha, Colombo 4	2597973-7
56	DWW Logistics Lanka (Pvt) Ltd	45, Ground Floor, Lukmanjee Square, Grandpass road, Colombo 14	112327188
57	Eagle Logistics Colombo (Pvt) Ltd	281/1 – 1, R.A. De Mel Mawatha, Colombo 03.	5422000
58	Emerald Shipping Line Co. (Pvt) Ltd	259, Biyagama Road, Peliyagoda	112011337
59	EMG Logistics (Pvt) Ltd	417, Kandy road, Peliyagoda	
60	Envio Global Logistics (Pvt) Ltd	1st Floor, Parkland 1, No 33, Park Street, Colombo 02.	112394445
61	Epiric Supply Chain Solutions (Pvt) Ltd	Level 35, World Trade Center, West Tower	114397297
62	Euro Asia Freight (Pvt) Ltd	N.D.H. Abdul Caffoor Bldg, No. 40 Church Street, Colombo 01	2574622
63	Eurotrans Express (Pvt.) Ltd	5/1 A Araliya Garden Nawala, Rajagiriya	5512577
64	ExpeLogix (Pvt) Ltd	04th Floor, "Sayuru Sevana", 46/12 Nawam Mawatha, Colombo 2	7400500
65	Expolanka Freight (Pvt) Ltd	No. 10, Mile Post Avenue, Colombo 03.	4791000
66	Famous Pacific Shipping Lanka	07, Cambrige Terrace, Colombo 07	2663700-9 2689515 (D)
67	Fast Transit Logistics (Pvt) Ltd	31 A, W. A. D Ramanayake Mawatha, Colombo 2	2381231-5, 2381230
68	Fits Express (Pvt) Ltd	No. 9, Abdul Caffoor Mw, Colombo 03	114414000
69	Fletching Logistics (Pvt) Ltd	No. 524, Sri Sangaraja Mawatha, Colombo 10.	115225225
70	Foreway Logistics (Pvt) Ltd	No. 05, Alwis Place, Colombo 03	5219156-7
71	Fortiz Logistics International (Pvt) Ltd	81, Hemas Building, 2nd floor, York Street, Colombo 01.	112327188
72	Forwardair (Pvt.) Ltd	67/1, Hudson Road, Colombo 3	2426655 / 4766455
73	Freight Line International (Pvt) Ltd	No. 465/3 K Cyril C Perera Mawatha, Colombo 13	112344433

SLFFA MEMBER COMPANY		ADDRESS	TELEPHONE
74	Freight Links International (Pvt) Ltd	Level 7, Access Towers, 278 Union Place, Colombo 2	2302402 / 2302401
75	Freight Masters International (Pvt) Ltd	21, Palm Grove, Colombo 03.	2370856 / 7395200
76	Freight Systems Lanka (Pvt) Ltd	2nd Floor, 525 Union Place, Colombo 02.	2692290-3
77	Freightplan (Pvt.) Ltd	07, Cambrige Terrace, Colombo 07	2689515 (D)
78	Frontier Freight Lanka (Pvt) Ltd	No. 152/2, Mabima Road, Heyantuduwa, Sapugaskanda	05230462 / 2337357
79	Future Logistics Lanka (Pvt) Ltd	32, Joseph Lane,Colombo 04.	112587668
80	GAC Logistics Limited	No. 284, Vauxhall Street, Col- 02	4797900
81	Globactiv Logistics (Pvt) Ltd	"NO 48, IBM Building, Level 3, Nawam Mawatha, Colombo 2	4848141
82	Global Cargo Care (Pvt) Ltd	No 20, Wanaratna Road, Off Peiris Road, Mount Lavinia	112712985
83	Global Freight Management (Pvt) Ltd	N.D.H. Abdul Caffoor Bldg, No. 40 Church Street, Colombo 01	2434500
84	Global Logistics Services (Pvt) Ltd	46/1, Fife Road, Colombo 05	114694801
85	Globe Wings International (Pvt) Ltd	No. 281 1/1, R A De Mel Mawatha, Colombo 03	113428215
86	Great Eastern Logistics (Pvt) Ltd	349 2/1 Cotta Road, Rajagiriya	112877395
87	GTG Global Logistics (Pvt) Ltd	70-1/12, Lucky Plaza, St.Anthony's Mawatha, Colombo 3	112 372 554
88	Hanshin Shipping & Logistics (Pvt) Ltd	102/3, Dharmapala Mawatha, Colombo 07	112161313
89	Harrisons Shipping (Pvt) Ltd	330 T. B. Jayah Mawatha, Col- 10	2687656
90	Hellmann Worldwide Logistics (Pvt) Ltd	50/25 A, Sir James Peiris Mawatha, Colombo 02	2316700-30 2303388(D)
91	Horizon Freight Concept (Pvt) Ltd	No. 65/2, Jayalanka Tower, 2nd floor, Maligawatte Road, Colombo 10	0117696020/25
92	HTL Logistics (Pvt) Ltd	4th Floor, 302, Galle Road, Colombo 04	2546941, 5831313
93	Hub Lanka (Pvt) Ltd	No. 419, 3/1, Galle Road, Colombo 03	112372323
94	Inchcape Mackinnon Mackenzie Shipping (Pvt) Ltd	No. 117, Sir Chittampalam A Gardiner Mawatha, Colombo 02	112475420
95	Inter Air & Sea Logistics (Pvt) Ltd	5th floor, No. 77 Park Street, Colombo 02	
96	Interfresh Logistics (Pvt) Ltd	Level 7, Access Towers, 278 Union Place, Colombo 2	4381828
97	Interglobe Freight Solutions (Pvt) Ltd	281 1/1 1st floor, R A De Mel Mawatha, Colombo 03	
98	JCILO Logistics (Pvt) Ltd	No. 658/78, Level 1, Mahawila Gardens, Dr. Danister De Silva Mawatha, Colombo 9	011-3100200
99	JST Maritime (Pvt) Ltd	353 A 4/4, R A De Mel Mawatha, Colombo 03	0112372568/70
100	Kerry Logistics Lanka (Pvt) Ltd	5th Floor No. 77, Park Street, Colombo 02	773136428
101	Kingslog Supply Solutions (Pvt) Ltd	No. 16, Robert Place, Kalubowila, Dehiwala	114501500
102	Kintetsu World Express Lanka (Pvt) Ltd	28/1 Bullers Lane, Colombo 7	4714797/98
103	Kuehne and Nagel (Pvt) Ltd	Rotunda Towers, 1st Floor, 109, Galle Road, Colombo 3	5400600
104	Laksiri International Freight Forwarders (Pvt) Ltd	31, St. Anthony's Mawatha, Colombo 03	112574104
105	Lanka Shipping & Logistics (Pvt) Ltd	No. 99, St. Micheal's Road, Colombo 03	4681700 / 4681907 (Dir)
106	Lovikta Logistics (Pvt) Ltd	18, Macleod Rd, Colombo 04	5 219 156
107	M Line International (Pvt) Ltd	46/6, Level 6, Valiant Towers, Nawam Mawatha, Colombo 02	112300620
108	M&M Logistics (Pvt) Ltd	No. 19, De Vos Avenue, Colombo 04	115747747
109	M&M Militzer & Muench (Pvt) Ltd	No. 3, 1/1, Buchanan Street, Colombo 04	0112580971-3
110	MAC G F Lanka (Pvt) Ltd	4th Floor, Access Tower, 278, Union Place, Colombo 02	2309151 Dir 2309150
111	MAC Supply Chain Solutions (Pvt.) Ltd	"The Waver Tree" 141/9 Vauxhall Street, Colombo 02	2309200
112	Mack International Freight (Pvt) Ltd	11, York Street, Colombo 01	7671671



Member Directory

SLFFA MEMBER COMPANY		ADDRESS	TELEPHONE
113	Maersk Lanka (Pvt) Ltd	Level 16, "Parkland", 33 Park Street, Colombo 2	4794800 / 114794834/ 720109420 Dir.
114	Marine Transport Services (Pvt) Ltd	156, Walukarama Road, Colombo 03	5221221
115	McCallum Cargo (Pvt) Ltd	100/9 3rd Floor, Independence Avenue, Colombo 7	5561000
116	MCS Logistics International (Pvt) Ltd	No. 07, Hunupitiya Cross Road, Colombo 02.	4721062-6
117	Mega Trend Lanka (Pvt) Ltd	73/1, Ward Place, Colombo 07	2687868
118	Mercantile Freight Services (Pvt) Ltd	39/1, Dharmapala Mawatha, Colombo 07	2575727, 2575703-4
119	Mirai Relocations (Pvt) Ltd	No 24/1, Clifford Avenue, Colombo 03	114791055
120	Misa Smart Logistics (Pvt) Ltd	92, Reclamation Road, Colombo 11	112444285
121	MIT Global Solutions (Pvt) Ltd	400, Deans Road, Colombo 10	2167200, 2167204
122	MOL Logistics Lanka (Pvt) Ltd	No. 123, Bauddhaloka Mawatha, Colombo 04	
123	Mountain Hawk (Pvt) Ltd	235/12, Avissawella Road, Orugodawatte, Wellampitiya	4522267(D) 4522222(G)
124	MSA Shipping (Pvt) Ltd	121/1, Stace Road, Colombo 14	2385289
125	Network Cargo Services Ceylon (Pvt) Ltd	52 3/1, Galle Road, Colombo 03	2348248
126	NorthPort Logistics (Pvt) Ltd	46, Kesbewa Rd, Boralesgamuwa	11-4464734
127	Ocean 7 Logistics (Pvt) Ltd	26B, 1st Floor, Alwis Place, Colombo 03	777228121
128	Ocean HD, Through Transport (Pvt) Ltd	69, Level 8, West Wing (Ceylinco House), Janadhipathi Mawatha, Colombo 01	2333800
129	On Time Worldwide Logistics (Pvt) Ltd	740,3rd Floor, Cotta Road, Rajagiriya	5231337
130	One Team Express (Pvt) Ltd	No. 444, Seeduwa Village, Colombo Road, Seeduwa	11 434 5527/8
131	Orient Global Logistics (Pvt) Ltd	NO. 258/3, Deans Road, Colombo -10	0114380395/6 0112488300
132	Peri Logistics (Pvt) Ltd	No. 10, Mile Post Avenue, Colombo 03.	112574213
133	Pership Synergy (Pvt) Ltd	Pership House (ONE), No. 72 C, Bauddhaloka Mawatha, Colombo 04.	2590734
134	Platinum Logistics Colombo (Pvt) Ltd	86 2/1, W A D Ramanayake Mawatha, Colombo 02	112302220
135	Power Freight (Pvt) Ltd	No. 444, Seeduwa Village, Colombo Road, Seeduwa	11 434 5527/8
136	Premium Trading & Logistics (Pvt) Ltd	Resolute, 471, Cotta Road, Rajagiriya, Colombo	112303366
137	Prestige International Logistics (Pvt) Ltd	No. 70, 3/1, 3rd Floor, Jethawana Road, Colombo 14	11 2470099
138	R.P.C. Logistics Ltd	310, High Level Road, Nawinna, Maharagam.	4310500
139	Rays International Shipping (Pvt) Ltd	32, Station Road, Colombo 06	
140	Rubteco International (Pvt) Ltd	98, 3rd Floor, Havelock Road Colombo 05	
141	Salota International (Pvt) Ltd	26B, 1st Floor,, Alwis Place, Colombo 3	5300250
142	Scan Global Logistics Colombo (Pvt) Ltd	111/15, Level 4, Hunupitiya Lake Road, Colombo 02	115145000
143	Scanwell Logistics Colombo (Pvt) Ltd	67/1, Hudson Road, Colombo 03.	2426600
144	Sea Shipping Colombo (Pvt) Ltd	No. 633 1/2, Sirimavo Bandaranaike Mawatha, Colombo 14	0115736016/4978916-7
145	Sea Trade Services (Pvt) Ltd	46/7, ‘Valiant Towers’, Level 1, Nawam Mawatha, Colombo 02	4724516
146	Seacare forwarders (Pvt) Ltd	No.3D, Kynsey Road, Colombo 08	4723448
147	Sealink Shipping (Pvt) Ltd	No. 88, Level 1, 1/11 Justice Akbar Mawatha, Colombo 02	2300884 4932803
148	Setmil Logistics (Pvt) Ltd	1st Floor, Setmil Maritime Centre, 256, Srimath Ramanathan Mawatha, Colombo 15	112485300

SLFFA MEMBER COMPANY		ADDRESS	TELEPHONE
149	Setmil-United Cargo (Pvt) Ltd	2nd Floor, Setmil Maritime Centre, 256, Srimath Ramanathan Mawatha, Colombo 15	2485401
150	Shermans Logistics (Pvt) Ltd	No. 60/7 Horton Place, Colombo 7	5348200-3
151	Shiftco Shipping & Logistics Lanka (Pvt) Ltd	39 2/2 Galle Face Terrace, Colombo 03	112330678
152	Shipco Transport Lanka (Pvt) Ltd	No 46/7, Valiant Towers, Level 03, Nawam Mawatha, Colombo 02	112305519
153	Sinetro Logistics International (Pvt) Ltd	No. 15/2, Joseph Lane, Colombo 04	117844550
154	Smart Marine Logistics Lanka (Pvt) Ltd	No. 15, 1st Floor, Lamico Tower, Vishakha Road, Colombo 04.	115052226
155	Spedicon Logistics (Pvt) Ltd	61/1/1 Balapokuna Road, Kirulapona, Colombo 06	
156	Speedmark Consolidation Service (Pvt) Ltd	No. 211, Dr. N M Perera Mawatha, (Cotta Road), Colombo 08	2686354 2682749(D)
157	Speedmark Transportation Lanka (Pvt) Ltd	No. 211, Dr. N M Perera Mawatha, (Cotta Road), Colombo 08	2686354 4760600
158	Sphere International Freight (Pvt) Ltd	4th Floor, 88-4/1, Justice Akbar Mawatha, Colombo 2	7644100-1
159	T L World (Pvt) Ltd	Level 12, No. 736, Orion Towers, Dr. Danister de Silva Mawatha, Colombo 9	2055591-3
160	TDL Logistics (Pvt) Ltd	No. 35, Castle Lane, Colombo 04	2576837
161	Toll Global Forwarding Lanka (Private) Limited	2nd Floor, No. 46/38 Forbes & Walker Bldg, Nawam Mw, Col-2	4723939
162	Trans Orbit Global Logistics (Pvt) Ltd	280A Sri Dhamma Mawatha, Colombo 10	115384448
163	Transcargo (Pvt) Ltd	"ABC Court", No. 117, Hunupitiya Lake Road, Colombo 02	2438951-5
164	Transco Cargo (Pvt) Ltd	2nd floor, No 162, Nawala Road, Nawala.	112887808
165	Transwing Logistics (Pvt) Ltd	46/7, Level 4, Valiant Towers, Nawam Mawatha, Colombo 02	
166	Tranzgate Express (Pvt) Ltd	545-B-2/1, Sri Sangaraja Mawatha, Colombo 10	0114741501/2
167	Trico Customs Brokers (Pvt) Ltd	No. 50, K. Cyril C. Perera Mawatha, Colombo 13	2345580/1
168	Triton Freight (Pvt) Ltd	5th Floor, 70-5/7, St. Anthony's Mawatha, Kollupitiya, Colombo 03	115425000
169	United Freight Solutions (Pvt) Ltd	2nd Floor of East Wing, No. 347, R A De Mel Mawatha, Colombo 3	713052432
170	United Logistics Colombo (Pvt) Ltd	No. 281/15, Level 02, Deans Road, Colombo 10	117817818
171	Universal Freighters International (Pvt) Ltd	63/2, Dharmapala Mawatha, Colombo 07	2436378-9 2392681
172	VVK Maritime Agencies (Pvt) Ltd	579, Bulugaha Junction, Kandy Road, Kelaniya.	0711700030 Anton Emmanuel
173	Wescon Lanka (Pvt) Ltd	Office No 4/2, “Majestic City, No. 10, Bambalapitiya Station Road, Colombo 04	0112589551/2
174	Wigynsa Global (Pvt) Ltd	No. 16, Kirula Place, Colombo 05.	5745512
175	Wings Logistics (Pvt) Ltd	No. 35, Castle Lane, Colombo 04	2576837
176	World Express (CMB) Ltd	2nd Floor, World Express Bldg, 80 Muhandiram Road, Colombo 03	2342807/2439316/2342807
177	World Gate Freighters (Pvt) Ltd	325/12/97, Palanwatte, Pannipitiya.	777681232
178	Worldlink Shipping Colombo (Pvt) Ltd	515/10, T. B. Jayah Mawatha, Colombo 10	011-2682233/37
179	Yusen Logistics & Kusuvara Lanka (Pvt) Ltd	West Wing, Ground Fl, 400 Deans Road, Colombo 10	112167600

Independent Auditor’s Report



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65/2, Sir Chittampalam A Gardiner Mawatha  
Colombo 02  
Sri Lanka

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 2024, 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 material accounting policy information as set out on pages 47 to 55.

In our opinion, the accompanying Financial Statements give a true and fair view of the financial position of the Association as at 31st March 2024, 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 Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics), 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.

Financial Content

- 41 Independent Auditor’s Report
- 43 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

BDO Partners, a Sri Lankan Partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

Partners : Sujeewa Rajapakse FCA, ACCA, FCMA, MBA. Ashane J.W. Jayasekara FCA, FCMA (UK), MBA. H. Sasanka Rathnaweera FCA, ACMA. R. Vasanthakumar Bsc (Acc), ACA, F. Sarah Z. Afker FCA, FCMA (UK), CGMA, MCSI (UK). Dinusha C. Rajapakse FCA, LLB (Hons)(Colombo), CTA, Attorney at Law. Nirosha Vadivel Bsc (Acc), ACA, ACMA.



Independent Auditor’s Report

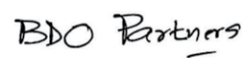
As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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 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 it appears from our examination, proper accounting records have been kept by the Association.

  
**CHARTERED ACCOUNTANTS**  
Colombo 02  
06th September 2024  
SR/cc

Statement of Comprehensive Income

For the year ended 31st March 2024	Note	2023/2024 Rs.	2022/2023 Rs.
Operating income	3	6,508,729	11,925,962
Operating expenses	4	(344,810)	(1,590,497)
<b>Net surplus from operating activities</b>		6,163,919	10,335,465
Other operating income	5	5,180,891	5,263,338
Less:			
Other operating expenses	6	(580,917)	(504,578)
Administration and other expenses	7	(14,636,182)	(12,874,894)
Finance income	8	5,526,380	5,154,806
		(9,690,719)	(8,224,666)
<b>Net surplus before taxation</b>		1,654,091	7,374,137
Income tax expense	9	(496,961)	(2,084,994)
<b>Surplus for the year</b>		1,157,130	5,289,143
Other comprehensive income		-	-
<b>Total comprehensive income net of tax</b>		1,157,130	5,289,143

Figures in brackets indicate deductions.  
The accounting policies and notes on pages 47 to 55 form an integral part of these financial statements.

Colombo  
06th September 2024

Statement of Financial Position


As at 31st March 2024	Note	As at 31.03.2024 Rs.	As at 31.03.2023 Rs.
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	10	36,675	-
<b>Total non-current assets</b>		36,675	-
<b>Current assets</b>			
Other receivables	11	11,526,365	13,506,592
Financial assets at amortised cost	12	39,449,298	34,689,344
Cash and cash equivalents	13	3,327,771	6,836,068
<b>Total current assets</b>		54,303,434	55,032,004
<b>Total assets</b>		54,340,109	55,032,004
<b>FUND AND LIABILITIES</b>			
<b>Fund</b>			
Accumulated fund		48,701,201	47,544,071
		48,701,201	47,544,071
<b>Non-current liabilities</b>			
		-	-
<b>Current liabilities</b>			
Other payables	14	5,671,246	6,621,660
Income tax (recoverable)/payable	15	(270,551)	866,273
Bank overdraft	13	238,213	-
<b>Total current liabilities</b>		5,638,908	7,487,933
<b>Total funds and liabilities</b>		54,340,109	55,032,004

The accounting policies and notes on pages 47 to 55 form an integral part of these Financial Statements.

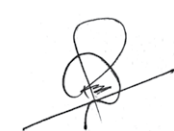
These Financial Statements are in compliance with the requirements of the Companies Act No. 07 of 2007.

The Committee is responsible for the preparation and presentation of these Financial Statements.

Approved and signed for and on behalf of the Committee.



**Mr. Channa Gunawardena**  
Chairman



**Mr. Shavindra Dias**  
Treasurer

Colombo  
06th September 2024

Statement of Changes in Fund

For the year ended 31st March 2024	Accumulated fund Rs.	Total Rs.
<b>Balance as at 31st March 2023</b>	<b>42,254,928</b>	<b>42,254,928</b>
Surplus for the year	5,289,143	5,289,143
<b>Balance as at 31st March 2023</b>	47,544,071	47,544,071
Surplus for the year	1,157,130	1,157,130
<b>Balance as at 31st March 2024</b>	48,701,201	48,701,201

Figures in brackets indicate deductions.

The accounting policies and notes on pages 47 to 55 form an integral part of these financial statements.

Colombo  
06th September 2024



Statement of Cash Flows

For the year ended 31st March	2023/2024 Rs.	2022/2023 Rs.
<b>Cash flows from operating activities</b>		
Net surplus before taxation	1,654,091	7,374,137
<b>Adjustments for:</b>		
Depreciation for the year	12,225	-
Gain on disposal of asset	-	(9,000)
Interest income	(5,526,380)	(5,154,806)
Provision for doubtful debts	-	1,378,513
<b>Operating surplus/(deficit) before working capital changes</b>	<b>(3,860,064)</b>	<b>3,588,844</b>
<b>Working capital changes</b>		
Decrease/(increase) in other receivables	1,980,227	(4,786,212)
(Decrease)/increase in other payables	(950,414)	(5,197,693)
<b>Net change in working capital</b>	<b>1,029,813</b>	<b>(9,983,905)</b>
<b>Cash generated from operations</b>	<b>(2,830,251)</b>	<b>(6,395,061)</b>
Tax paid	(1,633,785)	(1,086,560)
<b>Net cash from operating activities</b>	<b>(4,464,036)</b>	<b>(7,481,621)</b>
<b>Cash flows from investing activities</b>		
Net investments in fixed deposits	(4,759,954)	(2,597,268)
Purchase of property, plant and equipment	(48,900)	-
Sales proceeds from disposal on property, plant and equipment	-	9,000
Interest received	5,526,380	5,154,806
<b>Net cash from investing activities</b>	<b>717,526</b>	<b>2,566,538</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(3,746,510)</b>	<b>(4,915,083)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	Note A 6,836,068	11,751,151
<b>Cash and cash equivalents at the end of the year</b>	Note B 3,089,558	6,836,068
<b>At the beginning of the year - Note A</b>		
Cash at bank	6,816,068	11,731,151
Cash in hand	20,000	20,000
	6,836,068	11,751,151
<b>At the end of the year - Note B</b>		
Cash at bank	3,069,558	6,816,068
Cash in hand	20,000	20,000
	3,089,558	6,836,068

Figures in brackets indicate deductions.  
The accounting policies and notes on pages 47 to 55 form an integral part of these Financial Statements.

Colombo  
06th September 2024

Notes to the Financial Statements

1. CORPORATE INFORMATION

1.1 General information

The Association has been incorporated under the Companies Act No. 07 of 2007 of Sri Lanka as a company limited by guarantee and it is domiciled in Sri Lanka. The registered office of the Association is located at No. 37 D, Torrington Avenue, Colombo 07, Sri Lanka.

1.2 Principal activities and nature of operations

The principal activities of the Association during the year were to promote, protect and develop the business of freight forwarding and to act as an arbitrator and negotiating body for its members.

1.3 Date of authorisation for issue

The Financial Statements for the year ended 31st March 2024 were authorised for issue by the Committee on 06TH September 2024.

1.4 Responsibility for Financial Statements

The Board of Directors is responsible for the preparation and presentation of the Financial Statements of the Company as per the provisions of the Companies Act No. 07 of 2007 and in accordance with the Small and Medium-sized Entities (SLFRS for SMEs) laid down by the Institute of Chartered Accountants of Sri Lanka.

These Financial Statements include the following components:

- a statement of profit or loss and other comprehensive income providing information on the financial performance of the Company for the year under review
- a statement of financial position providing information on the financial position of the Company as at the year-end
- a statement of changes in equity depicting all changes in shareholders’ funds during the year under review of the Company
- a statement of cash flows providing information to the users, on the ability of the Company to generate cash and cash equivalents and the needs of entities to utilise those cash flows
- notes to the Financial Statements comprising accounting policies and other explanatory information

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

2.1 General accounting policies

2.1.1 Basis of preparation

These financial statements have been prepared in accordance with the Sri Lanka Accounting Standard for Small and Medium-sized Entities (SLFRS for SMEs) issued by the Institute of Chartered Accountants of Sri Lanka.

2.1.2 Statement of compliance

The statement of financial position and the statement of comprehensive income, statement of changes in funds and statement of cash flows together with the material accounting policy information and notes (“Financial Statements”) as at 31st March 2024 and for the year then ended comply with the Sri Lanka Accounting Standard for small and Medium-sized Entities (SLFRS for SMEs) issued by the Institute of Chartered accountants of Sri Lanka.

2.1.3 Basis of measurement

The Financial Statements have been prepared on the historical cost basis except where appropriate disclosures are made with regard to fair value under the relevant notes.

2.1.4 Functional and presentation currency

The Financial Statements have been presented in Sri Lankan Rupees (Rs.) the association’s functional and presentation currency, which is the primary economic environment in which the association operates.

2.1.5 Going concern

The management has made an assessment of the Association and its ability to continue as a going concern and they do not intend either to liquidate or to cease its operating activities.

2.1.6 Comparative information

The accounting policies have been consistently applied by the Association and are consistent with those of the previous year. The previous year’s figures and phrases have been re-arranged wherever necessary to conform to the current year’s presentation.

2.1.7 Changes in accounting policies

The accounting policies adopted are the same as those of the previous financial year unless otherwise it is stated.

2.1.8 Materiality and aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of a dissimilar nature or function are presented separately unless they are immaterial.

Notes to the Financial Statements

2.1.9 Significant accounting judgments, estimates and assumptions

The preparation of the Financial Statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and the disclosure of contingent assets and liabilities as at the end of the reporting period.

2.2 Assets and bases of their valuation  
2.2.1 Property, plant and equipment

**a) Cost**  
Property, plant and equipment are recorded at cost less accumulated depreciation and less any impairment in value.

**b) Depreciation**  
Provision for depreciation is calculated by using a straight line basis on the cost of all property, plant and equipment, in order to write off such amounts over the estimated useful life of such assets.

The economic useful life is as follows:

Office Equipment	4 years
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Depreciation of an asset begins when it is available for use.

The asset’s residual value, useful life and method of depreciation are reviewed and adjusted, if appropriate, at the end of each financial year.

**c) Restoration costs**  
Expenditure incurred on repairs or maintenance of property, plant and equipment in order to restore or maintain the future economic benefits expected from the originally assessed standard of performance is recognised as an expense when incurred.

**d) De-recognition**  
An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is calculated as the difference between the net disposal proceeds and the carrying amount.

2.2.2 Financial instruments  
2.2.2.1 Financial assets

**Other receivables, investments in fixed deposits and cash and cash equivalents**  
These financial assets are recognised initially at the transaction price. Subsequently, they are measured at amortised cost using the effective interest method less provision for impairment. Other receivables do not bear interest. Where there is objective evidence that the carrying amounts of receivables are not recoverable, an impairment loss is recognised in the statement of comprehensive income.

**Other short-term assets**  
Other short-term assets comprise advances. They are recognised initially at transaction price. Subsequently, they are measured at cost less provision for impairment.

2.2.2.2 Financial liabilities  
The Association’s financial liabilities include other payables. Financial liabilities are recognised initially at transaction price. After initial recognition, they are measured at amortised cost using the effective interest method. Other payables are on normal credit terms and do not bear interest.

2.2.2.3 Derecognition  
Financial assets are de-recognised only when,

- a) the contractual rights to the cash flows from the financial assets expire or are settled, or
- b) all of the risks and rewards of ownership are transferred to another party substantially.

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expires.

2.2.2.4 Cash and cash equivalents  
Cash and cash equivalents are defined as cash in hand, demand deposits and short-term highly liquid investments readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash in hand and cash at banks net of outstanding bank overdrafts.

The statement of cash flows is reported based on the ‘indirect’ method.

2.3 Liabilities and provisions  
2.3.2 Liabilities  
Liabilities stated under current liabilities in the statement of financial position are those expected to fall due within one year from the end of the reporting period.

2.3.3 Provisions  
Provisions are recognised when the Association has a present obligation (legal and constructive) as a result of a past event where it is probable that an outflow of resources embodying the economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

2.3.3.1 Current taxation

**Income tax**  
Income tax assets or liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to the Commissioner General of Inland Revenue. The provision for income tax is computed in accordance with the provisions of the Inland Revenue Act No. 24 of 2017 and amendments thereto.

2.4 Statement of comprehensive income  
2.4.2 Revenue recognition

**a) Entrance Fees and Subscriptions**  
Subscriptions and Entrance Fees from members are recognised as revenue when no significant uncertainty as to their collectability exists.

**b) Interest income**  
Interest income is recognised as the interest accrued on a time basis unless the collectability is in doubt.

**c) Other income**  
Other income is recognised on an accrual basis.

2.4.3 Expenditure recognition  
a) Expenses are recognised in the statement of comprehensive income on the basis of a direct association between the cost incurred and the earning of specific items of income. All the expenditure incurred in the running of the activities has been charged to the statement of comprehensive income in arriving at the surplus for the year.

b) For the purpose of presenting the statement of comprehensive income, the management is of the opinion that the ‘function of expenses’ method presents fairly the elements of the Association’s performance and hence, this presentation method is adopted.

2.5 Events after the reporting period  
All material events occurring after the end of the reporting period have been considered and where necessary, adjustments to, or disclosures have been made in the respective notes to the Financial Statements.

2.6 Contingencies and unrecognised contractual commitments  
Contingencies are possible assets or obligations that arise from the past events and would be confirmed only on the occurrence or non-occurrence of uncertain future events, which are beyond the Association’s control.



Notes to the Financial Statements

	Notes	2023/2024 Rs.	2022/2023 Rs.
<b>3. OPERATING INCOME</b>			
Membership subscriptions		3,060,000	2,740,000
New membership fees		1,785,000	1,875,000
Deficit/Surplus from DGR course	3.1	404,493	(13,564)
Surplus from AITT course	3.2	1,259,236	1,041,663
Surplus from NLA	3.3	-	6,282,863
		6,508,729	11,925,962
<b>3.1 Dangerous goods regulation (DGR) course</b>			
Income		10,870,000	2,115,000
Expenses		(10,465,507)	(2,128,564)
Deficit/Surplus		404,493	(13,564)
<b>3.2 Academy of International Trade and Transport (AITT) course fee</b>			
Income		4,067,320	4,317,000
Expenses		(2,808,084)	(3,275,337)
Surplus		1,259,236	1,041,663
<b>3.3 National logistics awards (NLA) income</b>			
Income		-	17,131,667
Expenses		-	(10,848,804)
Surplus		-	6,282,863
<b>4. OPERATING EXPENSES</b>			
Annual general meeting		344,810	1,590,497
		344,810	1,590,497
<b>5. OTHER OPERATING INCOME</b>			
Royalty income - SLFFA cargo services		500,000	1,100,000
SLFFA members' night		3,954,673	3,522,918
Commissions for promoting insurance		658,618	577,670
FIATA bill of lading sales		67,600	53,750
Gain on disposal of assets		-	9,000
		5,180,891	5,263,338

	Notes	2023/2024 Rs.	2022/2023 Rs.
<b>6. OTHER OPERATING EXPENSES</b>			
Car rent		512,500	440,000
Telephone, internet and GSM charges		68,417	64,578
		580,917	504,578
<b>7. ADMINISTRATION EXPENSES</b>			
Staff salaries		1,370,880	1,074,200
Accounting fee		27,500	-
Advertisement		105,226	-
EPF and ETF		205,632	161,130
Consultancy fees		1,794,000	1,380,000
CBTA assesment charges		748,259	-
Courrier and postage expense		1,090	-
Bonus		266,740	196,600
Bank charges		123,511	65,086
Secretarial charges		177,453	-
Membership fees (FAPAA/FIATA/IATA)		3,848,913	3,222,053
Car service fee		58,125	102,165
Depreciation		12,225	-
Subscriptions		35,363	-
Printing and stationery		299,697	23,020
CSR Activity		1,854,224	-
Audit fee		130,077	106,456
Tax compliance fee		-	37,800
General expenses		-	284,594
Computer equipment maintenance		156,482	29,000
Web development charges		83,749	725,402
Staff medical		14,196	244,400
Legal and professional charges		2,611,494	3,314,920
Foreign travelling		700,403	519,382
Local travelling		10,943	10,173
Provision for doubtful debts		-	1,378,513
		14,636,182	12,874,894
<b>8. FINANCE INCOME</b>			
Interest on fixed deposits and savings		5,526,380	5,154,806
		5,526,380	5,154,806

Notes to the Financial Statements

	Notes	2023/2024 Rs.	2022/2023 Rs.
<b>9. INCOME TAX EXPENSE</b>			
Income tax provision for the year	Note 9.1	496,961	2,084,994
<b>9.1 Reconciliation between the current Tax expense and product accounting profit</b>			
Accounting profit/ (loss) before tax		1,654,091	7,374,137
Investment income		(5,526,380)	-
Aggregate disallowable expenses		1,866,449	2,827,702
Aggregate allowable expenses		(9,780)	(724,594)
		(2,015,620)	9,477,245
Brought forward loss utilised		2,015,620	-
Taxable income from business		-	9,477,245
Income considered separately		5,526,380	-
Brought forward loss utilised		(2,015,620)	-
Other deduction		(1,854,224)	-
Taxable income		1,656,536	9,477,245
Income tax @ 14%		-	663,407
Income tax @ 30%		496,961	1,421,587
Total tax expense		496,961	2,084,994
<b>9.2 Tax loss carried forward</b>			
Tax lossess brought forward		-	-
Tax lossess incurred during the year		2,015,620	-
Utilisation of tax lossess		(2,015,620)	-
Tax loss carried forward		-	-

10. PROPERTY, PLANT AND EQUIPMENT

Description	Cost			Depreciation			Carrying Value	
	As at 01.04.2023 Rs.	Addition during the year Rs.	As at 31.03.2024 Rs.	As at 01.04.2023 Rs.	For the year Rs.	As at 31.03.2024 Rs.	As at 31.03.2024 Rs.	As at 31.03.2023 Rs.
Office equipment	259,800	48,900	308,700	259,800	12,225	272,025	36,675	-
	259,800	48,900	308,700	259,800	12,225	272,025	36,675	-

	Note	As at 31.03.2024 Rs.	As at 31.03.2023 Rs.
<b>11. OTHER RECEIVABLES</b>			
Advances	11.1	192,300	241,200
Prepayments	11.2	7,303,993	9,695,155
Other receivables	11.3	4,030,072	3,570,237
		11,526,365	13,506,592
<b>11.1 Advances</b>			
AASL - agreement renewal		192,300	192,300
Advance paid to Metropolitan		-	48,900
		192,300	241,200
<b>11.2 Prepayments</b>			
FAPAA membership fees		426,971	490,337
IATA membership fees		2,081,552	5,170,526
FIATA membership fee		1,330,069	1,265,371
DGR/IATA trainer fee		-	108,629
SLFFA members' night		500,000	-
DGR manuals		766,600	530,016
Car rent		55,000	92,500
Coffee table book		1,921,326	1,921,326
FIATA BL printing cost		222,475	116,450
		7,303,993	9,695,155
<b>11.3 Other receivables</b>			
Interest		1,359,777	1,926,415
Rent and electricity reimbursement		513,813	371,822
Membership subscriptions		38,000	18,000
FIATA Certificate Receivable		65,909	-
Inter Air & Sea Logistics (Pvt) Ltd		1,202,788	-
Achievers' profit share		817,602	817,602
Insurance commission - Allianz		560,911	560,911
WHT		170,785	-
SLFFA Cargo Services		679,000	1,254,000
		5,408,585	4,948,750
Provision for doubtful debts		(1,378,513)	(1,378,513)
		4,030,072	3,570,237



Notes to the Financial Statements

	As at 31.03.2024 Rs.	As at 31.03.2023 Rs.
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12. FINANCIAL ASSETS AT AMORTISED COST

Investments in fixed deposits		
National Development Bank PLC	16,973,985	15,952,109
Nations Trust Bank PLC	22,475,313	18,737,235
	39,449,298	34,689,344

13. CASH AND CASH EQUIVALENTS

13.1 Favorable balances

Cash in hand	20,000	20,000
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Cash at bank

Nations Trust Bank PLC- savings account - 006167000019	865,035	4,472,480
Nations Trust Bank PLC- current account - 006100010696	2,442,736	2,343,588
	3,327,771	6,836,068

13.2 Unfavorable balances

Nations Trust Bank PLC- current account - 006166000012	238,213	-
	238,213	-
Cash and cash equivalents in the statement of cash flow	3,089,558	6,836,068

14. OTHER PAYABLES

SAFFA	1,301,941	1,257,661
Audit fee	122,496	100,920
AITT course	4,001,809	5,159,311
E.P.F. and E.T.F.	-	18,768
Advance received for DGR course	100,000	-
Sundry	86,000	85,000
Unidentify Deposits	59,000	-
	5,671,246	6,621,660

15. INCOME TAX (RECOVERABLE)/PAYABLE

Balance at the beginning of the year	866,273	(132,161)
Provision for the year	496,961	2,084,994
	1,363,234	1,952,833
Less: Tax paid during the year	(1,345,919)	(1,086,560)
Set off - WHT paid	(287,866)	-
Balance at the end of the year	(270,551)	866,273

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.

The Association has submitted appeals against the Central Bank of Sri Lanka to obtain, inter alia, a writ of prohibition and a writ of mandamus preventing the CASS (Cargo Account Settlement System) payment system in Sri Lanka. Therefore, the case was fixed for argument and presently stands fixed for argument on 26th September 2004.

However, the Executive Committee of the Association is of the view that no liability would arise since the association is representing the freight forwarding Body of Sri Lanka.

18. ASSETS PLEDGED

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

19. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

No circumstances have arisen since the reporting date which would require adjustments to, or disclosures in the Financial Statements.

20. COMPARATIVE INFORMATION

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

## Notes

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