



SRI LANKA LOGISTICS & FREIGHT FORWARDERS ASSOCIATION

COUNTRY REPORT

FOR

52nd EXECUTIVE COUNCIL MEETING

THE FEDERATION OF ASIA PACIFIC AIR-CARGO ASSOCIATIONS

SRI LANKA LOGISTICS & FREIGHT FORWARDERS' ASSOCIATION

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VICE CHAIRMAN:

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EXECUTIVE COMMITTEE

Aitken Spence Cargo (Pvt) Ltd
Famous Pacific Shipping Lanka (Pvt) Ltd
Freight Links International (Pte) Ltd
GAC Logistics Ltd
Salota International (Pvt) Ltd
Shermans Logistics (Pvt) Ltd
Speedmark Transportation Services (Pvt) Ltd
Expolanka (Pvt) Ltd
Devid Pieris Logistics Private Limited,
Hellmann Worldwide Logistics (Pvt) Ltd

SECRETARIAT

Sri Lanka Logistics & Freight Forwarders' Association
No. 37 D, Torrington Avenue, Colombo 07, Sri Lanka

Democratic Socialist Republic of Sri Lanka



Capital	- Sri Jayewardenepura Kotte
Commercial Capital	- Colombo
Official Languages	- Sinhala, Tamil
Language for inter-ethnic Communication	- Sinhala/ / Tamil/ English
Ethnic Groups	- 74.9% Sinhala, 11.2 % Sri Lankan Tamils, 7.2% Sri Lankan Moors, 4.2% Indian Tamils and 0.5% Others.
Independence	- February 4, 1948 (From the United Kingdom)
Total Area	- 65,610 sq km
Total Population	- 21,781,800 (DCS report -2024)

Sri Lanka is divided into 9 Provinces and 25 Districts. Each province is administered by a directly elected provincial council.



OVERVIEW OF THE ECONOMY

Sri Lanka's economy in 2025 continued its recovery trajectory, supported by sustained macroeconomic stabilisation and ongoing policy and structural reforms. Despite global uncertainties, including geopolitical tensions, trade disruptions, and adverse weather conditions, domestic economic activity remained resilient. Strengthened macroeconomic fundamentals and consistent policy implementation enhanced investor confidence and supported the rebuilding of economic buffers.

Real GDP growth is estimated at 5% in 2025, marking the second consecutive year of expansion. Labour market conditions improved, while inflation turned positive from August following a period of deflation, driven mainly by easing energy price declines and rising food prices. Accommodative monetary policy and lower interest rates contributed to a significant expansion in private sector credit, further supported by the removal of vehicle import restrictions.

The external sector strengthened, with the current account recording a surplus for the third consecutive year. This was largely driven by strong workers' remittances and improved services exports, despite a widening trade deficit. Foreign exchange inflows facilitated reserve accumulation and supported external debt servicing, while the Sri Lankan rupee depreciated modestly under a flexible exchange rate regime.

Fiscal performance remained robust, with a primary surplus recorded for the third consecutive year, reflecting revenue-based consolidation efforts alongside targeted social support. The financial sector showed improved performance, with increased profitability, better asset quality, and strong liquidity and capital buffers exceeding regulatory requirements.

The Central Bank maintained an accommodative monetary policy stance to support growth amid low inflation and global uncertainty, while continuing efforts to build external buffers. Financial system resilience was further strengthened through enhanced regulatory and supervisory measures, macroprudential policies, and crisis preparedness frameworks. Progress was also made in financial system modernisation, including digital payments, cybersecurity, and anti-money laundering initiatives, alongside institutional reforms such as the establishment of a Public Debt Management Office.

Looking ahead, the economic outlook remains subject to global risks, particularly those stemming from geopolitical developments and their impact on energy markets, trade, and financial flows. Inflation is expected to return to target levels, while credit growth may moderate. Continued fiscal consolidation will be critical for ensuring debt sustainability.

Overall, progress under the IMF-supported programme, alongside debt restructuring and improved political stability, has strengthened Sri Lanka's economic outlook. Sustained commitment to policy discipline and structural reforms will be essential to maintaining stability, enhancing resilience, and achieving sustainable and inclusive growth in the medium term.

(Source – Central Bank of Sri Lanka Economic Report 2025)

OVERVIEW OF THE INDUSTRY

Private sector credit growth in 2025 was broad-based, with the Services sector emerging as the primary contributor, expanding by approximately Rs. 850 billion and accounting for 42% of the total increase. Within this sector, notable growth was recorded in wholesale and retail trade, financial and business services, transportation, and education, reflecting continued recovery following the economic crisis. In particular, credit to the financial and business services subsector—encompassing lending by Licensed Commercial Banks (LCBs) to finance companies—rose significantly, driven by increased reliance on bank financing in a low-interest-rate environment. These funds were largely channeled into expanding lending activities such as vehicle financing and gold-backed loans.

The Industry sector, which represents around 38% of outstanding credit, recorded an expansion of approximately Rs. 583 billion, contributing 29% to the overall credit growth. Within this sector, credit to the construction subsector grew by 18.9% year-on-year, signaling a gradual recovery in construction-related activities. Other industrial subsectors, including fabricated metal products, machinery and transport equipment, food and beverages, textiles and apparel, and basic metal products, also experienced notable credit expansion.

Personal Loans and Advances, accounting for about 22% of outstanding credit, increased by roughly Rs. 406 billion during the year, contributing around one-fifth of the total expansion. This growth was primarily driven by higher gold-backed lending, increased financing for consumer durables, and a rise in credit card-related exposures, reflecting improving consumer sentiment and spending amid strengthening economic activity.

Meanwhile, credit to the Agriculture sector, which comprises around 9% of outstanding credit, expanded by Rs. 163 billion, contributing approximately 8% to total credit growth. Key subsectors such as paddy, tea, coconut, and fisheries recorded notable increases in credit uptake.

In terms of maturity composition, the expansion in private sector credit by LCBs in 2025 was predominantly driven by short-term lending, which accounted for nearly half of the total increase, followed by medium-term and long-term lending, respectively.

(Source – Central Bank of Sri Lanka Economic Report 2025)

CIVIL AVIATION

Sri Lanka's civil aviation sector experienced a strong recovery and expansion in 2025, as highlighted in the Central Bank's Annual Economic Review. This resurgence is evident across all major performance indicators, signaling the country's renewed momentum in regional air transport and its growing importance as a connectivity hub.

During the period from January to July 2025, total passenger movements reached approximately 5.8 million. This figure comprised around 2.89 million uplifted passengers and 2.91 million discharged passengers, reflecting a balanced flow of outbound and inbound travel. The increase in passenger traffic was largely driven by the revival of tourism and the restoration of international flight connections, both of which contributed to renewed confidence in Sri Lanka as a travel destination.

Aircraft movements also recorded a notable rise, totaling about 36,610 flights within the same period. Of these, 35,497 were scheduled flights, while 1,113 were non-scheduled operations. This growth indicates an expansion in airline activity, including the addition of new routes and increased frequency of existing services, further strengthening the country's aviation network.

Cargo operations showed similarly positive trends, with total air freight handling reaching approximately 105,623 metric tonnes. This included 64,296 tonnes of loaded cargo and 41,327 tonnes of unloaded cargo. The increase in cargo volumes reflects the recovery of trade flows and improvements in export logistics, underscoring the aviation sector's critical role in facilitating international commerce.

PORT SERVICES

In 2025, Sri Lanka's port services sector emerged as a cornerstone of national economic recovery, demonstrating remarkable resilience amidst shifting global maritime trends. According to the Central Bank of Sri Lanka, the industry transitioned from a period of stabilization to one of aggressive growth, driven by a surge in transshipment volumes, the modernization of infrastructure, and a renewed focus on regional competitiveness.

The Port of Colombo remained the primary engine of this growth. By October 2025, total container throughput reached approximately 7.45 million TEUs (Twenty-foot Equivalent Units), marking a significant 10.8% increase compared to the previous year. This growth was largely anchored by transshipment activities, which grew by 7.9% to reach 5.79 million TEUs. The CBSL highlights that this reinforces Colombo's status as a critical hub in the Indian Ocean, facilitating trade flows between East Asia, the Middle East, and Europe. Furthermore, domestic cargo handling saw a sharp rise of 16.5%, reflecting a broader recovery in Sri Lanka's internal industrial and trade sectors.

The financial health of the Sri Lanka Ports Authority (SLPA) mirrored this operational success. Provisional data for 2025 indicates that the SLPA achieved a net profit after tax of Rs. 42.8 billion, a steady climb from the Rs. 38.2 billion recorded in 2024. Revenue growth was supported by an 12.5% increase in total vessel arrivals across the island's major ports, including Hambantota, Galle, and Trincomalee.

A pivotal development in 2025 was the completion of the East Container Terminal (ECT), which became fully operational in July. This expansion, alongside the ongoing construction of the West Container Terminal (WCT), has significantly boosted the Port of Colombo's deep-water capacity. These projects are essential for accommodating the latest generation of ultra-large container vessels, ensuring that Sri Lanka remains a preferred destination for major global shipping lines.

Beyond physical infrastructure, the Central Bank report emphasizes the integration of the Colombo Port

City as a catalyst for investment. With the government granting a 25-year tax holiday for strategic real estate developments within the Port City, the sector is increasingly tied to the broader goal of transforming Sri Lanka into a multi-service financial and logistics hub.

However, the report also cautions that the sector must navigate rising competition from other regional ports. To address this, the SLPA has embarked on a roadmap to double its TEU capacity by 2029. By focusing on digitalization, green port initiatives, and enhanced logistics services, Sri Lanka aims to not only maintain its market share but to set a new benchmark for maritime efficiency in South Asia.

(Source – Central Bank of Sri Lanka Economic Report 2025)

INDUSTRY STATISTICS

Performance of the Port Services

Item	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 (a)
Vessels Arrived (No.)	4,264	4,728	4,998	4,879	4,874	4,697	4,337	4,180	4,073	4,809	4,564
Colombo	3,742	4,197	4,405	4,329	4,331	4,198	3,806	3,675	3,648	4,237	3,968
Galle	60	72	96	87	84	43	22	14	7	23	8
Trincomalee	127	164	216	233	189	142	135	117	95	102	116
Hambantota	335	295	281	230	270	314	374	374	323	447	472
Total Cargo Handled (mt '000)	74,410	77,579	86,519	93,857	104,934	106,979	102,908	109,369	100,376	103,794	120,239
Colombo	70,794	73,718	81,879	89,035	100,151	101,926	97,681	103,824	96,170	99,674	114,594
Galle	394	542	771	712	729	510	404	106	1.2	0.8	0.4
Trincomalee	2,748	3,027	3,514	3,897	3,560	3,304	3,072	3,190	2,089	2,013	2,613
Hambantota	474	293	355	213	494	1,239	1,750	2,249	2,116	2,106	3,032
Total Container Traffic (TEUs '000) (c)	4,908	5,185	5,735	6,209	7,047	7,228	6,855	7,249	6,862	6,950	7,792
South Asia Gateway Terminal	1,662	1,371	1,632	1,810	2,067	2,052	1,872	1,839	1,752	1,764	2,026
Colombo International Container Terminal	687	1,562	2,003	2,389	2,676	2,894	2,885	3,212	3,184	3,221	3,353
Sri Lanka Ports Authority	2,559	2,252	2,100	2,011	2,305	2,283	2,098	2,198	1,926	1,965	2,413
Colombo West International Terminal (CWIT) (d)											
Transshipment Containers (TEUs '000) (c)(e)	3,781	3,967	4,435	4,826	5,704	5,955	5,765	6,050	5,832	5,960	6,623
South Asia Gateway Terminal	1,325	1,043	1,315	1,434	1,687	1,651	1,607	1,573	1,523	1,571	1,797
Colombo International Container Terminal	540	1,213	1,504	1,769	2,042	2,296	2,291	2,600	2,640	2,632	2,698
Sri Lanka Ports Authority	1,916	1,711	1,617	1,622	1,976	2,008	1,867	1,877	1,670	1,757	2,128
Colombo West International Terminal (CWIT) (d)											
Total Revenue (SLPA) (Rs. million)	36,776	40,164	42,994	42,514	50,124	40,770	38,931	45,455	68,696	63,261	74,567
Operating Expenditure (SLPA) (Rs. million)	24,930	30,985	28,660	27,919	29,980	37,410	29,716	32,899	43,746	47,292	51,931
Employment (No.) (f)	9,598	9,550	9,651	9,377	9,710	9,937	9,484	9,203	8,706	8,243	7,815
Colombo	8,747	8,725	8,856	8,588	8,910	8,975	8,567	8,285	7,838	7,433	7,042
Galle	373	355	348	351	362	384	339	331	315	276	255
Trincomalee	419	417	402	401	400	400	387	381	363	341	327
Hambantota	59	53	45	37	38	178	191	206	190	193	191

(a) Revised

(b) Provisional

(c) TEUs = Twenty - foot Equivalent Container Units

(d) Commenced operations in 2025

(e) Includes re-stowing

(f) From 2019 onwards, employment data relevant to the ports of Colombo, Galle, Trincomalee were obtained from the SLPA.

Sources: Sri Lanka Ports Authority

Hambantota International Port Group (Pvt) Ltd

Salient Features of the Transport Sector

Item	Unit	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 (a)
New Registration of Motor Vehicles	No.	429,556	668,907	493,328	451,653	480,799	367,303	202,628	33,850	20,511	27,890	74,410
Buses	"	3,851	4,140	2,685	3,331	2,957	1,613	578	281	404	685	146
Motor Cars	"	38,780	105,628	45,172	39,182	80,776	38,232	21,021	3,495	1,489	1,816	1,644
Three Wheelers	"	79,038	129,547	56,945	23,537	20,063	15,490	7,150	2,093	36	60	94
Dual Purpose Vehicles	"	20,799	39,456	26,887	16,742	16,931	13,459	9,532	771	760	586	1,027
Motor Cycles	"	272,885	370,889	340,129	344,380	339,763	284,301	151,634	8,011	9,060	20,200	65,289
Goods Transport Vehicles	"	5,121	7,142	7,563	11,432	9,371	5,223	3,941	4,432	1,833	523	1,284
Land Vehicles	"	9,082	12,105	13,947	13,049	10,282	7,666	8,302	14,764	6,929	4,020	4,925
Quadracycles and Motor Homes	"	-	-	-	-	656	1,319	470	3	-	-	1
Sri Lanka Railways												
Operated Kilometres	'000	11,075	11,797	11,921	11,679	11,640	11,230	7,990	6,281	10,480	10,450	10,490
Passenger Kilometres	million	6,842	7,407	7,413	7,495	7,710	7,310	3,906	2,158	6,602	7,044	6,000
Freight Ton Kilometres	"	130	130	140	145	120	116	114	162	139	159	172
Total Revenue (c)	Rs. million	5,909	6,335	6,623	6,477	7,413	7,901	4,567	2,679	11,076	16,079	18,857
Operating Expenditure (c)	"	16,943	14,049	13,396	14,081	14,381	15,464	14,618	12,979	23,573	27,842	27,908
Operating Profit (+) / Loss (-) (c)	"	-11,034	-7,714	-6,773	-7,604	-6,968	-7,562	-10,051	-10,300	-12,497	-11,763	-9,052
Sri Lanka Transport Board												
Operated Kilometres	million	371	440	452	448	446	431	309	248	344	364	364
Passenger Kilometres	"	12,717	15,210	16,101	15,810	15,541	14,346	8,623	6,225	14,941	14,272	12,855
Total Revenue (c)	Rs. million	33,665	35,825	40,928	42,163	44,103	43,490	31,233	28,035	66,350	72,163	76,693
Operating Expenditure (c)	"	35,527	40,555	42,004	40,081	41,935	41,933	33,437	31,089	64,025	70,674	75,366
Operating Profit (+) / Loss (-) (c)	"	-1,862	-4,730	-1,076	2,081	2,168	1,557	-2,204	-3,054	2,325	1,489	1,326
SriLankan Airlines												
Hours Flown	hours	97,319	96,494	96,225	97,213	110,058	106,950	41,585	50,287	84,325	87,025	88,226
Passenger Kilometres Flown	million	12,719	12,747	12,855	14,169	16,180	15,509	3,641	2,868	11,042	12,158	11,517
Passenger Load Factor	%	80	80	81	82	83	83	56	36	74	80	77
Weight Load Factor	%	51	50	56	74	75	74	62	74	64	60	69
Freight	mt '000	96	103	113	124	136	123	56	93	88	79	93

(a) Revised

(b) Provisional

(c) Data for 2014 - 2021 period extracted from the CBSL Annual Reports.

Sources: Department of Motor Traffic
Sri Lanka Railways
Sri Lanka Transport Board
Civil Aviation Authority of Sri Lanka

**Table 1.6
Performance of the Transport Sector**

Sector	2024(a)	2025(a)	Change 2024/2025 (%)
Road Transport (Sri Lanka Transport Board)			
Operated kilometrage (mn)	364	358	-1.6
Passenger kilometrage (mn)	12,855	11,888	-7.5
Rail Transport (Sri Lanka Railways)			
Passenger kilometrage (mn)	6,000	5,990	-0.2
Goods kilometrage (mt mn)	172	162	-6.0
Air Transport			
Passenger movements (in mn) (b)	8.8	10.1	15.2
Of which SriLankan Airlines	3.5	4.1	17.2
Freight (mt '000)	195.4	188.8	-3.4
Of which SriLankan Airlines	93.0	80.4	-13.6
Sea Transport			
Port of Colombo			
Container handling (TEUs '000)	7,792	8,301	6.5
Number of Ship arrivals	3,968	4,102	3.4
Port of Hambantota			
Container handling (TEUs '000)	53	428	707.5
Number of Ship arrivals	472	881	86.7

(a) Provisional
(b) Excluding transit passengers
TEUs = Twenty-foot Equivalent Container Units

Sources: Sri Lanka Transport Board
Sri Lanka Railways
Civil Aviation Authority of Sri Lanka
Sri Lanka Ports Authority

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Sources: Sri Lanka Transport Board
Sri Lanka Railways
Civil Aviation Authority of Sri Lanka
Sri Lanka Ports Authority

(Source – Central Bank of Sri Lanka Economic Report 2025)

Sri Lanka Logistics and Freight Forwarders Association

The Sri Lanka Logistics & Freight Forwarders Association (SLFFA), established in 1981, serves as the apex body representing freight forwarders and logistics providers in Sri Lanka. Its primary objective is to unify the industry under a single umbrella while promoting professionalism and institutional development. Recognized by the government, relevant agencies, and industry stakeholders, SLFFA currently represents over 170 leading logistics and freight forwarding companies, along with affiliated members such as the Joint Apparel Association Forum and the Association of Clearing Forwarding Agents.

SLFFA plays a key role in advancing both air and sea freight sectors by advocating for improved infrastructure, investment, and policy support. It focuses on leveraging Sri Lanka's strategic geographic position to enhance its potential as a regional logistics hub. The association also emphasizes the importance of developing human resources and modern facilities to support long-term industry growth and competitiveness.

ACTIVITIES OF THE ASSOCIATION

The Sri Lanka Logistics & Freight Forwarders Association continued to foster active engagement among its members and maintained strong collaboration with key stakeholders, including government and statutory bodies, to uphold professionalism and operational efficiency within the freight forwarding industry. This ongoing dialogue has been instrumental in addressing industry challenges and aligning standards across the sector.

During the period under review, the Executive Committee placed particular emphasis on sustaining the Association's influence in critical areas such as ocean freight and customs operations, air freight, port tariffs, and delivery order charges. To support this, regular consultations were held with major institutions including the Ministry of Finance, Ministry of Ports, Shipping and Aviation, Sri Lanka Ports Authority, Sri Lanka Customs, Airport & Aviation Services (Sri Lanka) Ltd, SriLankan Cargo, Civil Aviation Authority of Sri Lanka, Sri Lanka Export Development Board, and the Directorate of Merchant Shipping.

In addition, the Executive Committee strengthened ties with leading industry bodies such as the Ceylon Chamber of Commerce, Sri Lanka Shippers Council, and Ceylon Association of Shipping Agents to ensure cohesive industry development.

Furthermore, the Association reinforced its self-regulatory framework through continuous professional development initiatives. Regular training programs, workshops, and seminars were conducted to enhance the knowledge, skills, and competencies of members, contributing to the overall advancement and standardization of the logistics and freight forwarding industry in Sri Lanka.

Sri Lanka Customs (SLC)

The coordination between Sri Lanka Customs (SLC) and the Sri Lanka Logistics and Freight Forwarders' Association (SLFFA) focuses on advancing trade digitalization and reducing long-standing operational inefficiencies through continuous stakeholder engagement. SLFFA plays a key role as the apex industry body, participating in regular consultations with Customs to support modernization initiatives.

A major development was the mandatory transition, effective May 7, 2025, requiring all cargo manifest submissions through the ASYHUB system under the broader ASYWORLD framework. This shift introduced a standardized, cloud-based platform for shipping lines and freight forwarders, improving data consistency and processing efficiency.

In August 2025, a pilot project for paperless Customs Declarations (CusDecs) was introduced for Authorized Economic Operators (AEOs), enabling digital signatures and eliminating physical documentation. Full implementation across the industry is planned for April 2026, following necessary system and hardware upgrades.

The Digitizing Global Maritime Trade (DGMT) initiative has been integrated into the 2026 digital roadmap, focusing on enhancing Pre-Arrival Processing (PAP) and Pre-Departure Processing (PDP), which contributed to a 7.6% improvement in cargo release times in 2025. Digital processing at the Export Facilitation Center (EFC) has also become standard practice. SLFFA-led engagement with Customs has further helped maintain mitigated penalties for manifest amendments, supporting smoother and more efficient trade facilitation overall.

Director General of Merchant Shipping (DGMS)

The relationship between the Sri Lanka Logistics and Freight Forwarders' Association (SLFFA) and the Director General of Merchant Shipping (DGMS) has evolved into a robust regulatory alliance designed to professionalize the nation's maritime logistics sector. As the governing body under the Merchant Shipping Secretariat, the DGMS has increasingly utilized its licensing authority to set higher entry barriers and operational standards for Freight Forwarders and NVOCC Operators. This shift is characterized by a move away from voluntary compliance toward a structured, mandatory framework that prioritizes financial security and professional expertise.

A defining feature of this coordination in 2025 and 2026 is the stringent focus on insurance-backed risk management. The registration of A and B Grade Forwarders is now contingent upon the quality and scope of their insurance underwriting. The SLFFA has played a vital role in this transition by conducting educational webinars and providing training through its academy to ensure members can meet these rigorous technical requirements.

This coordination extends to financial transparency, with the SLFFA and DGMS working together to standardize delivery order fees and ensure they are reported competitively. Ultimately, the synergy between the SLFFA and DGMS is transforming Sri Lanka's logistics landscape from a loosely regulated industry into a high-standard, transparent, and professionally licensed ecosystem.

Sri Lanka Ports Authority (SLPA)

In the pursuit of transforming Sri Lanka into the preeminent maritime hub of South Asia, the coordination between the Sri Lanka Logistics and Freight Forwarders' Association (SLFFA) and the Sri Lanka Ports Authority (SLPA) has become a vital strategic engine. This partnership is built on a dual commitment: ensuring that the Port of Colombo remains price-competitive against global giants like Singapore and Dubai, while simultaneously undergoing a radical digital overhaul to improve operational efficiency.

A cornerstone of this recent coordination is the data-driven approach to regional competition. Following a detailed study by the SLFFA into global rates and service levels, the two bodies have identified that while Sri Lanka remains highly competitive on price, there is a pressing need to enhance service reliability and infrastructure.

The present position of the SLFFA-SLPA partnership is one of technical and strategic alignment. By merging the SLPA's infrastructure goals with the SLFFA's market intelligence and digital expertise, Sri Lanka is moving closer to achieving a fully integrated, paperless port ecosystem. This synergy not only solidifies Colombo's status as a top-tier regional hub but also ensures that the local logistics community is equipped to handle the complexities of modern, high-volume maritime trade.

Air and Aviation Services (Sri Lanka) Limited

The partnership between Airport and Aviation Services (Sri Lanka) Limited and the Sri Lanka Logistics and Freight Forwarders' Association aims to transform Sri Lanka into a leading regional air cargo hub. Their collaboration focuses on developing the Air Cargo Village (ACV) at Bandaranaike International Airport through a three-stage development plan that improves infrastructure and logistics efficiency.

In the short term, they have introduced practical upgrades such as automated vehicle management systems and expanded warehouse facilities to improve cargo handling and reduce damage. Medium-term plans focus on utilizing Sri Lanka's strategic location by creating bonded transport corridors between the Port of Colombo and airports to strengthen Sea-Air-Sea transshipment services.

For the long term, the vision includes major expansion and digital modernization. A sixth cargo terminal is being built to increase cargo handling capacity to 400,000 metric tons, supporting rising e-commerce and export demand. At the same time, initiatives like the National Single Window and ASYHUB platform aim to create a paperless, faster, and more transparent logistics system. Overall, the partnership is modernizing both infrastructure and administrative systems to help Sri Lanka compete with major regional logistics hubs

Cargo Account Settlement System (CASS)

The attempt to introduce the Cargo Account Settlement System (CASS) in Sri Lanka has evolved into a landmark confrontation between global aviation standardization and the preservation of domestic economic interests. Led by the Sri Lanka Logistics and Freight Forwarders' Association (SLFFA), the industry's resistance is a calculated response to a system that threatens the very liquidity upon which the export sector survives. At the heart of this dispute is the Writ Application filed in the Court of Appeal against IATA, the Central Bank, and the Monetary Board, a legal move that has successfully halted the "unilateral change" to the industry's payment architecture.

In the traditional Sri Lankan model, freight forwarders and exporters operate on negotiated credit cycles that accommodate the realities of local manufacturing and trade. The introduction of CASS via SriLankan Airlines would replace these flexible arrangements with a rigid, automated settlement cycle.

As of 2025/2026, the issue remains in a judicial deadlock. While IATA continues to advocate for CASS as a global gold standard, the Sri Lankan logistics community has made it clear: any digital evolution must respect the fiscal realities of the local market and the long-term stability of the nation's export economy.

Operationalizing Efficiency -The Evolution of Sri Lanka's Trade Facilitation Roadmap

Sri Lanka's National Trade Facilitation Roadmap has evolved from a policy framework into an active strategy for modernizing the country's logistics and trade systems. Led by the National Trade Facilitation Committee with strong involvement from the Sri Lanka Logistics and Freight Forwarders' Association, the roadmap supports the country's commitments under the WTO Trade Facilitation Agreement by promoting a "digital-first" approach to reduce trade delays and costs.

A key achievement has been strengthening the NTFC through a permanent secretariat, enabling more consistent oversight of trade reforms. The SLFFA has helped prioritize practical initiatives such as the National Single Window (NSW) and Pre-arrival Processing (PAP), which aim to reduce paperwork, eliminate manual inefficiencies, and improve the competitiveness of Sri Lankan ports.

By 2026, progress is evident through the launch of the Trade National Single Window System (TNSWS) and the shift toward paperless Customs declarations. These reforms align Sri Lanka’s trade processes with international standards, creating a more transparent, predictable, and efficient trading environment. Overall, the roadmap is seen as essential for positioning Sri Lanka as a modern and globally connected logistics hub in the Indian Ocean region.

Mapping the Future—The SLFFA and Sri Lanka’s Blue Investment Strategy

Sri Lanka’s Blue Economy strategy has reached a key milestone with the validation of Maritime Spatial Planning (MSP) and Blue Investment Opportunity Maps, led by the Ministry of Finance (Sri Lanka) with support from the United Nations Development Programme. The project uses GIS-based mapping to organize the country’s Exclusive Economic Zone, supporting sustainable use of marine resources and unlocking investment potential.

The current phase focuses on moving from planning to investment facilitation. The maps create transparent ocean zoning that reduces conflicts between fishing, tourism, shipping, and industrial activities. By defining clear opportunity zones, the government has helped create a lower-risk environment for private investment. The SLFFA has contributed by ensuring that international shipping routes remain efficient, particularly around the Port of Colombo and Hambantota Port, while avoiding disruption from new developments like aquaculture and renewable energy projects.

Looking ahead to 2026, the focus is on “Blue Finance,” using these maps to attract global investors and green funds. This includes future logistics innovations such as green fuel infrastructure and sea-to-air hubs, strengthening Sri Lanka’s position as a regional maritime and logistics hub.

Meeting with His Excellency the President

During discussions with His Excellency, the President, on 19th March 2026, the Sri Lanka Logistics and Freight Forwarders’ Association emphasized the importance of Sri Lanka’s Port and Airport cargo terminals as major contributors to foreign exchange revenue. The association stressed that uninterrupted import and export operations are essential for maintaining economic stability.

A key issue highlighted was the insufficiency of current fuel quotas for personnel involved in port, airport, and logistics activities. The SLFFA warned that disruptions caused by employees being unable to travel to work would negatively affect cargo operations and reduce national revenue. To address this, several short-term measures were proposed, including increased fuel quotas, priority fuel access for holders of Customs, SLPA, and Airport and Aviation Services (Sri Lanka) Limited passes, designated fuel stations in Colombo and Katunayake, and authorization systems for logistics staff.

The SLFFA also proposed long-term reforms such as implementing a National Single Window system, establishing Port and Airport Community Systems, accelerating digitalization, and developing Sri Lanka as a competitive regional logistics hub.

Navigating the Narrow Path—Sri Lanka’s Economic Outlook in 2026

Sri Lanka’s 2026 economic outlook reflects a transition from post-crisis stabilization to gradual structural normalization. The World Bank’s April 2026 South Asia Economic Update notes that the economy has regained its 2018 scale, but growth is expected to moderate to around 3.6%, highlighting underlying structural constraints such as inefficiencies in factor markets, high trade costs, and external pressures from global energy and trade disruptions.

Recovery so far has been driven mainly by private consumption and tourism, but the report emphasizes that long-term growth will depend on shifting toward export-led investment and improving competitiveness. In this context, the SLFFA stresses the importance of modernizing Sri Lanka’s logistics backbone to avoid bottlenecks in trade expansion. The association supports the implementation of the National Trade Facilitation Roadmap to reduce costs and improve efficiency in cross-border trade.

Looking ahead, debt restructuring progress and the New Country Partnership Framework (2026–2030) provide a pathway toward a higher growth target of 7%. However, achieving this will require stronger infrastructure investment, improved governance, and prioritization of high-impact projects such as the Air Cargo Village and digital logistics systems. Aligning reform efforts with these priorities is seen as essential for sustaining Sri Lanka’s recovery and enhancing its export competitiveness.

The Logistics Catalyst: SLFFA’s Role in Securing High-Quality FDI for Sri Lanka

Sri Lanka’s shift from economic stabilization to sustainable growth has made attracting high-quality Foreign Direct Investment (FDI) a key national priority. In a changing global economy, investors now prioritize resilience, digital readiness, and strong logistical connectivity over low-cost advantages. Within this context, the Sri Lanka Logistics and Freight Forwarders’ Association (SLFFA) plays an important enabling role by supporting the development of a robust logistics ecosystem capable of attracting and sustaining global investment.

The SLFFA contributes by modernizing trade processes, advising on infrastructure development, and helping improve workforce capabilities, thereby strengthening the country’s “logistics backbone.” This support is essential for ensuring that Sri Lanka can convert investor interest into long-term, high-value projects. As global supply chain reliability becomes increasingly critical, coordination between the SLFFA and government investment agencies is seen as vital for improving competitiveness.

In addition, discussions around the World Bank’s economic outlook provided a platform for stakeholders to engage directly with economists, exchange sector insights, and better understand challenges related to exports, growth potential, and necessary reforms. The SLFFA highlighted key industry concerns while gaining clarity on future economic projections and policy directions, reinforcing its role in shaping Sri Lanka’s trade and investment strategy.

Trade National Single Window (TNSWS)

The Trade National Single Window System (TNSWS) is a major digital reform in Sri Lanka aimed at creating a fully paperless, transparent, and efficient trade environment. Implemented under a Project Implementation Unit (PIU) within the Ministry of Finance and supported by the Sri Lanka Logistics and Freight Forwarders’ Association, the initiative has progressed from planning into active development by early 2026.

Key preparatory milestones include a 2025 readiness assessment covering 18 government agencies and a validation of technical specifications with input from both public and private stakeholders. These steps led to the development of the Minimum Viable Product (MVP), launched in January 2026, which is designed to meet Sri Lanka’s WTO Trade Facilitation Agreement commitments by simplifying trade procedures and reducing administrative delays.

The system aims to allow traders to submit all regulatory documents through a single digital platform, reducing costs and processing times. A pilot launch is planned for late 2026, with full implementation expected in 2027. Beyond technology, the focus is also on change management and institutional readiness

to ensure smooth adoption. Overall, the TNSWS represents a transformative step toward modernizing Sri Lanka's trade ecosystem and improving its global competitiveness.

SLFFA IT Conference

The Sri Lanka Logistics and Freight Forwarders' Association (SLFFA) had organised a landmark national conference titled "Digitization to Intelligence: Re-engineering Sri Lanka's Supply Chain for the Future," scheduled to be held on 12th and 13th May 2026 at the Cinnamon Grand Hotel, Colombo. The conference was designed as a multi-stakeholder platform, bringing together key participants across the supply chain ecosystem, including logistics service providers, shipping agents, shippers, port authorities, regulators, financial institutions, and technology partners.

The objective of the conference was to support and align with the Government of Sri Lanka's national digitalisation agenda, with a strong emphasis on translating policy direction into practical, implementable solutions across the trade and logistics sector. It was intended to facilitate dialogue on supply chain modernisation, digital transformation, and improved coordination among stakeholders.

However, following careful consideration of prevailing national circumstances, the SLFFA has decided to postpone the event. This decision was made in light of ongoing fuel constraints, international travel limitations, and other operational challenges, which have significantly impacted the feasibility of hosting a large-scale physical conference. The association will review opportunities to reschedule the event when conditions are more conducive to effective participation and engagement.

Global Engagement: SLFFA at the 2026 FIATA HQ Meeting

The Sri Lanka Logistics and Freight Forwarders' Association (SLFFA) reinforced its commitment to international alignment and industry best practices through its participation in the 2026 FIATA HQ Meeting. Held from March 30th to April 2nd, 2026, in Geneva, Switzerland, the summit served as a critical platform for addressing the rapidly evolving challenges within the global supply chain.

Representing the Sri Lankan logistics fraternity, Mr. Andre Fernando, Chairman of the SLFFA, participated in this high-level assembly. Following the success of previous years, the 2026 meeting utilized an intensive workshop-based format. This collaborative approach allowed FIATA and its member delegates to work directly alongside other key supply chain actors to engineer practical solutions for imminent industry hurdles.

Riding the Indian Wave—Strategic Imperatives for Sri Lankan Logistics

The "Riding the Indian Wave" conference highlighted a strategic shift in Sri Lanka's economic outlook, positioning India as the central driver of the country's logistics-led recovery. The Sri Lanka Logistics and Freight Forwarders' Association emphasized that Sri Lanka's future growth depends on its ability to function as a smart and efficient logistics hub serving the Indian subcontinent, leveraging its geographic proximity and maritime advantage.

A key focus of the strategy is deeper maritime and industrial integration with India, including developments such as Indian involvement in Colombo Dockyard, which moves Sri Lanka beyond transshipment into higher-value activities like ship repair and shipbuilding. Infrastructure expansion at Bandaranaike International Airport and the Colombo Port's Multi-Country Consolidation facilities is also seen as essential to capturing growing Sea-Air transshipment opportunities linked to Indian trade flows.

Digital transformation is another core pillar, with strong emphasis on accelerating the National Single Window and aligning systems with India's advanced digital infrastructure. Overall, the initiative envisions Sri Lanka evolving into a frictionless logistics corridor for Indian goods, strengthening regional connectivity and deepening economic interdependence across the Indian Ocean

A Financial Overview of SLFFA's Philanthropic Contributions

The Sri Lanka Logistics and Freight Forwarders' Association (SLFFA) has shown a strong and sustained commitment to Corporate Social Responsibility (CSR), contributing over Rs. 10 million to healthcare and welfare initiatives across the country. These efforts are primarily funded through industry-led events and are directed toward meaningful, long-term social impact rather than symbolic contributions.

A major focus of SLFFA's CSR activities has been the Lady Ridgeway Hospital (LRH), where it has served as a key benefactor for over a decade. Support includes a Rs. 2.0 million donation in 2023 for medical equipment upgrades and theatre refurbishments, in addition to earlier contributions such as Rs. 2.5 million for sterilized theatre doors, Rs. 2.1 million for CCTV and maintenance systems, and Rs. 1.25 million for specialized patient trolleys. These investments have significantly strengthened pediatric healthcare services.

In addition, SLFFA has supported elderly care through its "Journey Towards Healing of Hearts" initiative, donating Rs. 450,000 in furniture and bedding to the Arthur Perera Elders' Home to improve living conditions for vulnerable residents. In 2026, the association further expanded its social impact with a Rs. 3.2 million contribution under the "Rebuilding Sri Lanka" initiative. Through these targeted efforts, SLFFA ensures that the success of the logistics industry is translated into tangible benefits for both children and the elderly, reinforcing its role in national welfare development.

The SLFFA as the Regional Anchor: Hosting the FAPAA Secretariat

The Federation of Asia-Pacific Air Cargo Associations (FAPAA), which represents 19 member countries and territories across the Asia-Pacific region, functions as a key regional body for the air cargo and logistics industry. A notable feature of its governance structure is the rotating Secretariat, which is currently hosted by the Sri Lanka Logistics and Freight Forwarders' Association in Colombo.

By hosting the FAPAA Secretariat, the SLFFA has positioned Sri Lanka as a central coordination point for regional air cargo engagement. This role involves supporting administrative and operational functions, facilitating communication among member associations, and contributing to the development of shared professional standards across the Asia-Pacific logistics sector.

The presence of the Secretariat in Sri Lanka strengthens the country's visibility and influence within regional logistics networks, reinforcing its role as a strategic hub for air cargo coordination and policy dialogue in the region.

The National Logistics Awards (NLA)

The National Logistics Awards (NLA), organized biennially by the Sri Lanka Logistics and Freight Forwarders' Association (SLFFA), is the most prestigious platform for recognizing excellence within the nation's supply chain and maritime sectors. Established to foster a culture of innovation and global competitiveness, the NLA serves as a benchmark for quality, honoring outstanding achievements among freight forwarders, airlines, and warehouse operators.

The awards are uniquely structured to be inclusive, offering categories for small, medium, and large-scale enterprises. This ensures that the agility of smaller firms and the infrastructure of industry giants are equally celebrated. The most recent event was held in 2024, and the next event will be held on 14th August 2026. NLA plays a critical role in professionalizing the industry. By utilizing an independent panel of experts and a rigorous evaluation process based on international standards, the awards encourage the adoption of digitalization and sustainable practices. Ultimately, the NLA elevates the visibility of the logistics sector, reinforcing its status as a vital pillar of the Sri Lankan economy and a key driver of the country's ambition to become a preeminent regional hub.

SECRETARIAT

The SLFFA Secretariat continues its daily operations at No. 37D, Torrington Avenue, Colombo 07, Sri Lanka.