

BRIDGE

DEC. 2018 | 4TH EDITION

LEADER PAR EXCELLENCE



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KISHU GOMES

30

8 TRENDS

That WILL DRIVE THE

SHIPPING INDUSTRY

IN 2019

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CATALYST for CHANGE



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A QUARTERLY PUBLICATION BY



CEYLON ASSOCIATION OF SHIPPING AGENTS

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FOR ANIMALS, PLASTIC IS TURNING THE OCEAN INTO A MINEFIELD



CASA reflects on a year of launching and publishing the 'Bridge' magazine which is now in the 4th edition, with gratitude to all those who supported us in presenting it to you. It has been a refreshing challenge - drawing on the reservoir of strengths and the capabilities of our Members and their teams in creating a 'Bridge' across the diverse segments of the transport and logistics industry of Sri Lanka as envisaged by us.

The magazine is now in the libraries of a number of educational institutes, primarily those in the larger industry of transportation - shipping and logistics is hugely beneficial for students.

We continue to review our content to make it topical, relevant and up to date. This edition stresses on the importance of our youth, the environment and futuristic trending developments that will embrace us sooner than we expect. The magazine also contains areas for learning, inspiring interviews and a test of knowledge for day to day application. A focus of interest is the truth that we can never overemphasize on - gender balance that is required in our industry. In order to achieve at least a semblance of balance requires

a colossal effort from all quarters, including the women.

The 'Bridge' continues to look forward to showcasing products and services and benefitting from industry professionals who share their expertise and experience in capacity building, nurturing and growing young talent. Thoughts on how we could improve the 'Bridge' to cater to your needs are welcome and can be addressed to sg@casa.lk.

You can also send in your research material, articles, reviews and new developments with a request to feature such material in future editions.

Ralph Anandappa
Secretary General
Ceylon Association of shipping agents

CASA reserves the right to alter or edit material submitted for publication in consultation with the writer/s and the decision of the Editorial Board would be final in the case of any difference/s of opinion.

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CASA analysis on port sector growth

The following info graph was designed by the Ceylon Association of Shipping Agents (CASA) based on statistics published by Sri Lanka Ports Authority. The Analysis is done based on the Q3 (July – September 2018) results.

Port of Colombo has recorded a 14% increase in container throughput when compared to the corresponding quarter last year. The highest growth has come from container transshipment which has recorded a 19% growth from Q3 last year. Port of Colombo has handled 1.4 million TEUs of transshipment in Quarter 3 this year. Imports and Exports have declined by - 4%. When comparing with Q2 of 2018 transshipment volume has seen an increase of 6% in Q3 of 2018.

Container throughput increased by 16% in Q1 and 15% in Q2 2018 (when

compared to the corresponding period last year). So the overall growth in throughput in Colombo had been around 15% when compared with the first 3 quarters last year which is a healthy growth momentum.

Cargo ship arrivals have also increased by 1% during the 3rd Quarter and the cumulative of container cargo ships have increased by 3.1% from January to October 2018. Containerized cargo tonnage has also increased by 13% during the 3rd Quarter and dry bulk tonnage has increased by 14% during the same period.

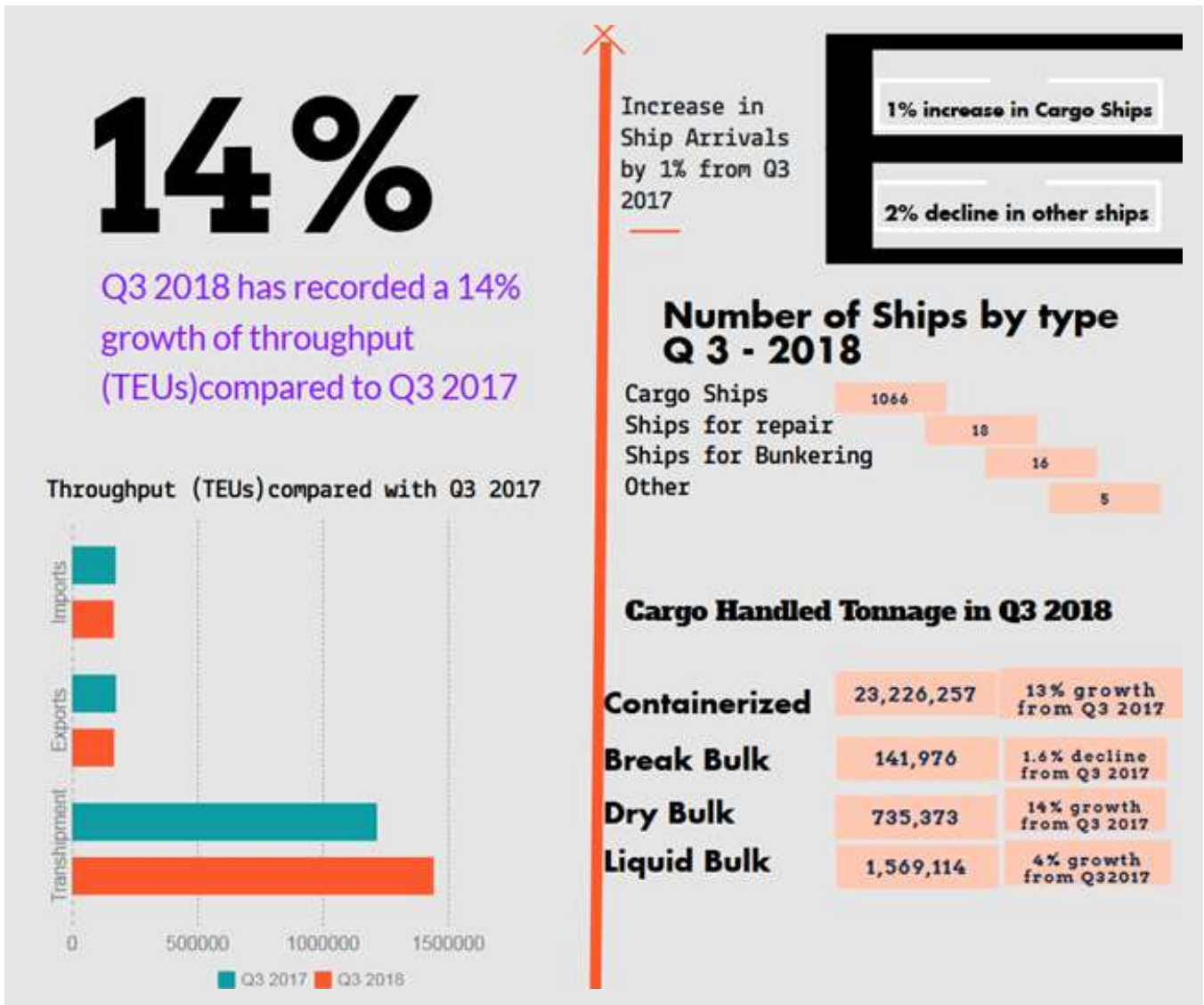


Figure 1

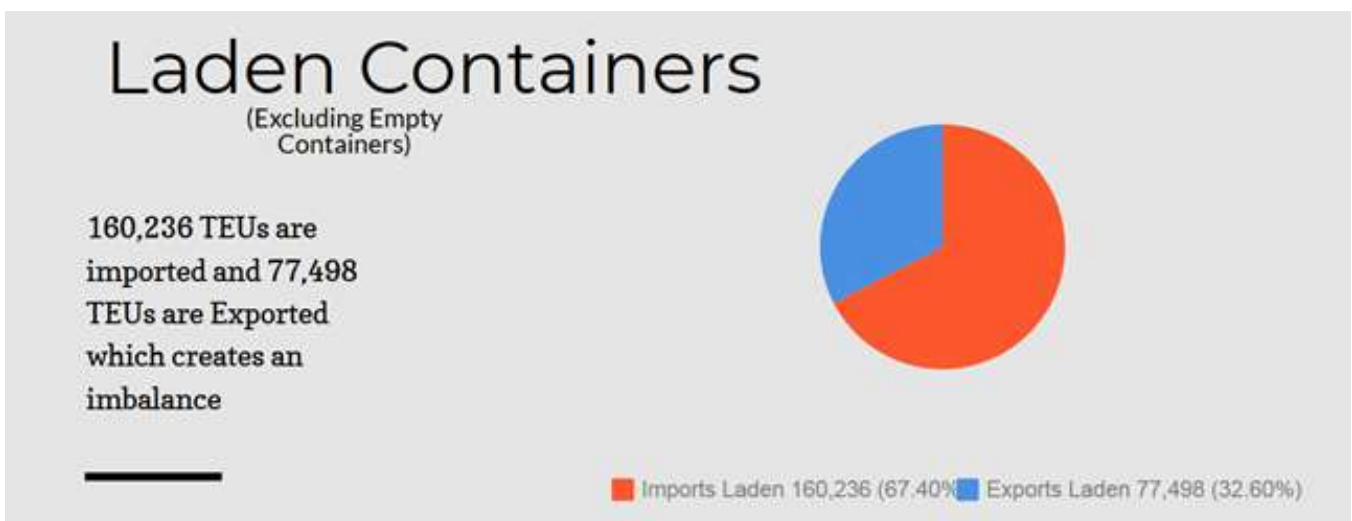


Figure 2

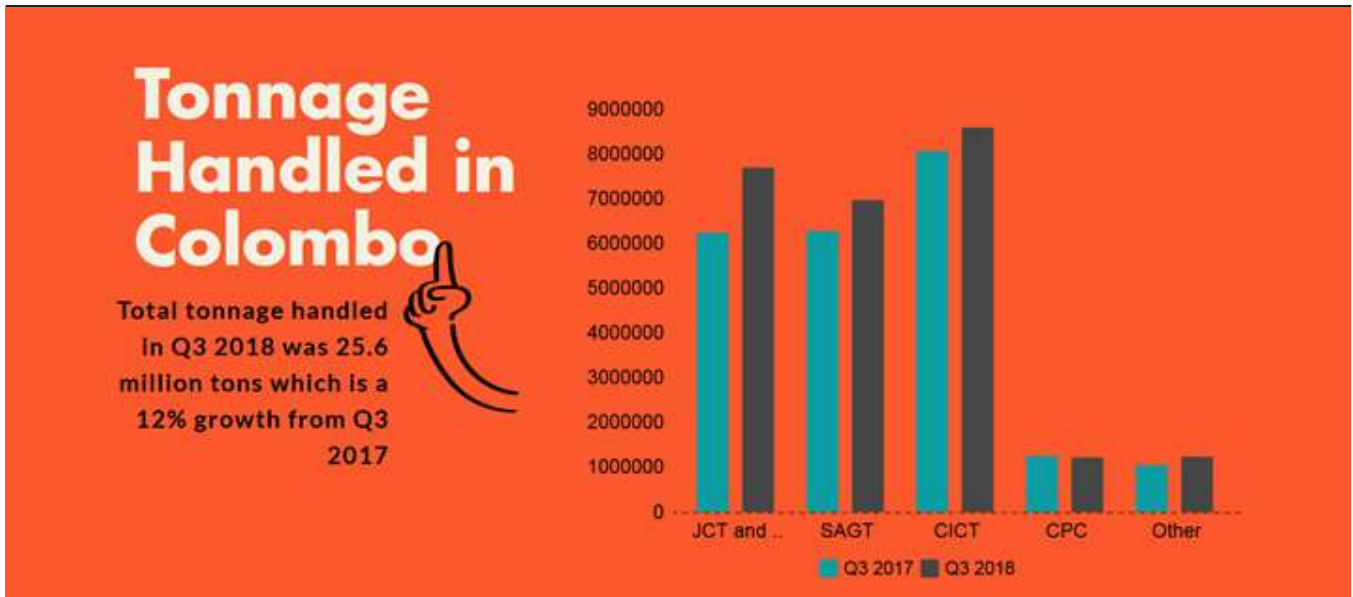


Figure 3

Terminal Performance

CASA the voice of the shipping industry had been highlighting the importance of increasing port capacity and operationalizing the East Container Terminal. Port of Colombo has handled 5,845,910 TEUs from January to October 2018. Colombo International Container Terminal (CICT) which is the only deep water terminal in Sri Lanka has contributed close to 40% of this throughput. All the terminals have recorded healthy growth when compared to last year where South Asia Gateway Terminal (SAGT) and CICT has recorded 16% and 14% growth respectively. Throughput of Jaya Container Terminal (JCT) and Unity

Container Terminal (UCT) has also grown by 15%.

Container imbalance

However it is evident that there is a container imbalance as shown in figure 2. About 160,236 containers had been imported and only 77,498 containers were exported during the 3rd quarter. This has led to repositioning of empty containers which is a growing concern in the industry.

Tonnage Handled

Total tonnage handled in Colombo in Quarter 3 of 2018 was 25,675,730 tons which is a 12% growth from the

corresponding quarter last year. CICT has contributed to 33% of this tonnage whereas JCT and UCT has contributed to 30% of the tonnage. SAGT has contributed to 27% of the total tonnage handled by Port of Colombo.

Overview

When looking at the total port sector we see a 10% growth in total tonnage handled by all ports in Q3 of 2018 in comparison to the corresponding quarter of 2017. Till end October all ports have handled 87 million tons which is a 12.8% growth when compared to the same period last year. Hambantota port records a 43% growth in Q3 whilst recording a 106% growth in the cumulative tonnage handled up to end October 2018.

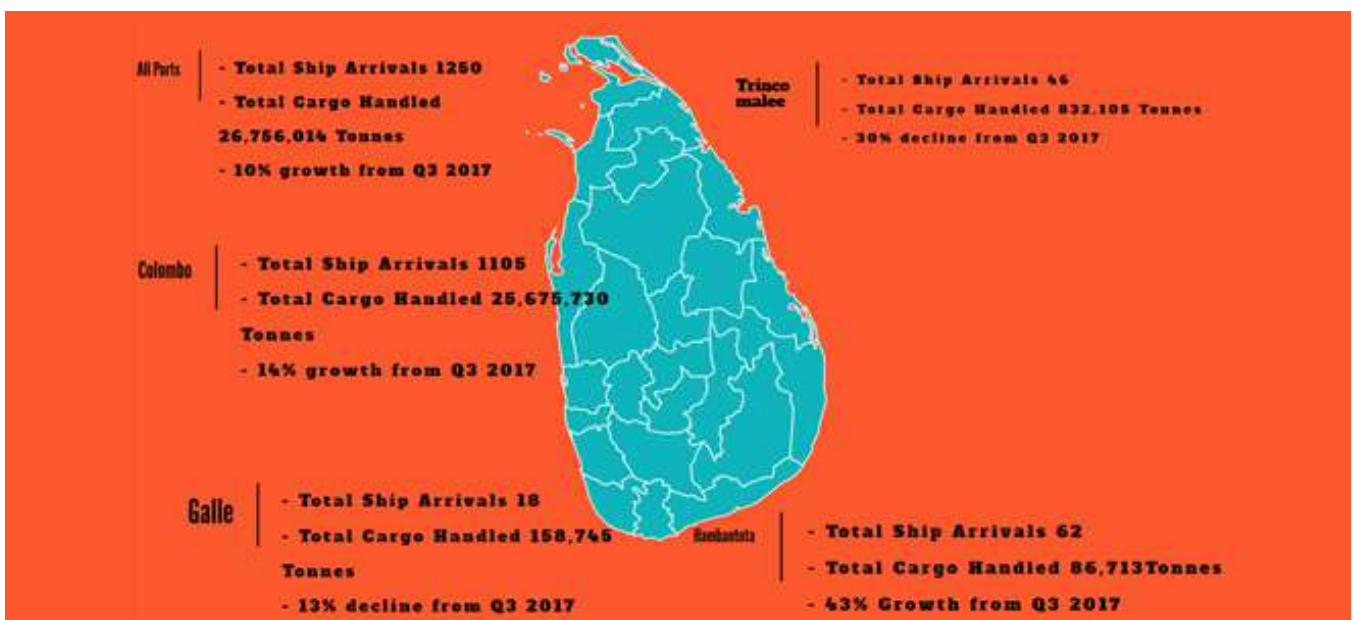


Figure 4

CASA FACILITATES SEMINAR TO CELEBRATE

‘WORLD MARITIME DAY’!

CASA the voice of the shipping industry organized a seminar to coincide with the World Maritime Day on 25th September 2018 at the Main Ballroom of Hotel Galadari. The seminar was titled “Global shipping trends and Sri Lanka’s strategy to face the future” and was endorsed by the Ministry of Ports and Shipping and Sri Lanka Ports Authority.

The seminar focused on Sri Lanka’s current position in global shipping and trading and evaluated evolving trends in the maritime and trading sectors. The key note address was delivered by the Chief Guest Dr. Parakrama Dissanayake, Chairman of Sri Lanka Ports Authority. Dr. James Jixian WANG, Visiting Associate Professor, Department of Management Science, City University of Hong Kong; Mr.S.N.Srikanth , CEO and Senior Partner of Hauer Associates; Mr. Ravi Kaimal ,Corporate Entrepreneur, Maersk Line were among the eminent panel of speakers. The speeches were followed by a panel discussion represented by the speakers and eminent industry professionals such as Mr. H. D. A. S. Premachandra, Managing Director of Sri Lanka Ports Authority,

Mr. Roshan Silva, Vice Chairman of Sri Lanka Freight Forwarders Association and Mr. Chrisso De Mel , Chairman of Sri Lanka Shippers’ Council. The panel was moderated by Senior Journalist Mr. Nisthar Cassim, Founding Editor and Chief Executive of the Daily FT.

Launch of Young Ship

Showing CASA’s commitment in developing the next generation of the maritime industry, YoungShip was launched during the seminar which was a landmark event in the Sri Lankan Maritime History. YoungShip is a professional non-profit organization for young people working within the global maritime industry. The international YoungShip network today counts more than 3000 individual members in Norway, Cyprus, Greece, Belgium, Denmark, Singapore, England, UAE, Sweden, Finland, Italy, The Netherlands, America, Germany, Nigeria, France, Spain and Tanzania. Speaking at the event, Patron and Past Chairman of Young Shipping

Professionals and YoungShip, Mr. Navin Perera revisited the objectives of the organization- to encourage interaction among industry professionals, to enhance knowledge and create industry awareness, to promote corporate social responsibility and ethical behavior and to increase the network internationally. He stated that they will be achieving the last objective of promoting the network internationally by joining hands with YoungShip. The Chairman of YoungShip, Mr.Hasitha Dissanayake also stated that their members will gain significantly through international exposure with this collaboration and thanked CASA for the regular support and encouragement.

Futuristic Challenges and Trends

Delivering the key note speech, Dr. Parakrama Dissanayake addressed the future challenges and trends in shipping. He mentioned the key achievements of Colombo port which includes it being the fastest growing

port and the 13th best connected port in the world. Highlighting the potential in the region he stated that India, Pakistan and Bangladesh are among the top ten countries with the highest population in the world with growth rates of over 25% from 2000 – 2017. While these opportunities exist, revenue per TEU and operating profit per TEU has dropped significantly with the Shanghai Containerized Freight Index reporting a 17.6% overall drop. He also stated that the business model of outsourcing production to Asia is slowly changing to near shoring and re-shoring which will challenge the status quo and pose challenges to shipping lines. Quoting examples, he said that 2/3 of 384 companies operating in Europe had re-shored some activities during the past 12 months and that nearly half of the companies plan to re-shore activities in the next 12 months. Automation and 3D printing has further reduced the dependence on labour having made re-shoring possible.

He suggested that everyone should get together in building soft infrastructure and attract more FDIs to the country as the current outlook is not positive. He stated that India has consciously focused on improving ease-of-doing-business and has improved their ranking from 142 in 2015 to 100 in 2018. Singapore is ranked 2nd and Hong Kong is ranked 5th, whereas Sri



Lanka is ranked 111th. He emphasized that enhancing these indicators is very important to attract more FDIs. He said that Colombo port has recorded a 19% growth in transshipment up to August this year and stated that the country's status on liberalization has not made any difference to these achievements. "While India, with 1.2 billion people are recording a throughput of 15 million TEUs, Sri Lanka has 21 million people and has handled over 6 million TEUs. Therefore the problem is not with the policy framework," he affirmed..

India and Sri Lanka: A Win-Win Maritime Partnership

Speaking of a win-win maritime partnership between Sri Lanka and India, Mr. S.N. Srikanth spoke of the opportunities that exist for both countries. Speaking of India's ambitious 'Sagaramala' project, he mentioned that out of the planned 572 projects which will cost \$100 billion, about 224 projects have already been awarded and 59 projects have already completed. These projects are said to unlock the potential of India's coastline and waterways by port modernization, new port development, port connectivity enhancement and port linked industrialization.

With relaxation of Cabotage law, foreign flag vessels are allowed to transport Laden Export Import containers for transshipment and empty containers for repositioning between Indian ports which will also be a favorable relaxation of regulation, inevitably creating opportunities. "However despite all these favorable changes, red tape and port infrastructure constraints pull India's merchandise trade down" he said.

Mr. Srikanth mentioned that transshipment of domestic Indian containers would create an opportunity to Sri Lanka as rapid economic growth places tremendous pressure on India's road networks, imposing huge internal



and external costs on society. "Growth in transport demand in India is ranked as the highest in Asia and therefore a modal Shift of Indian Domestic Cargo to Coastal Shipping is imperative. Coastal shipping becomes more cost effective compared to road transport, if external costs are figured into the equation" he stated.

He stated that India and Sri Lanka could work out a mutually beneficial agreement, with movement of domestic Indian containers being considered a coastal voyage even if they are transhipped at Colombo and to provide competitive rates for transshipment. He also said that India will have to provide pragmatic demand side incentives, linked to reduction in external costs achieved through this modal shift.

Experiences and Lessons of Port-city Development in China and its Implications to Sri Lanka

Dr. James Wang highlighted that due to the enlargement of ships, new terminals have been moving away from cities in general, which eases the container traffic within or near the cities. However, in some cases, such as Xiamen, where port operations near the Central Business District become strengthened due to some special institutional settings that favor the integrated logistics operations for international and intermodal shipments, it seems to be problematic since a large valuable piece of land is still occupied by a port although a good alternative location is available.

City governments, the authority at national government for port development, port authorities and operators may have different views on where to locate and develop the port, considering that the port may be an important factor for the city's economy.

Highlighting implications to Sri Lanka, Dr. Wang stated that when the port of Colombo keeps growing, the port will be too close to the Central Business District of the city in the future and to what extent could the Hambantota





Port be the 'leap-forward' expansion of Colombo Port.

Digital initiatives in South Asia and the use of Block Chain

In his opening remarks Mr. Ravi Kaimal stated that 80% of the goods consumers use are carried by the ocean shipping industry and in many cases the administrative cost of moving a container is higher than the cost of physically moving it. He mentioned that customers expect self- service, transparency, increased visibility and expects proactive solutions at lower costs. Pointing out the current challenges in the industry, he highlighted that over 12-15 parties are involved with a shipment which makes communication a real challenge due to different time zones and limited visibility. Using manual processes have also kept the overhead costs high. He said that the shipping industry had been very slow in embracing digitization which is the main reason for these challenges.

However, high cost pressure/ lesser margins are encouraging companies to embrace technology which has resulted in an exponential uptake in technology in the past decade. "Many start-up companies are aggressively entering shipping and logistics as aggregators, challenging many established players in the industry," he said.

Explaining the importance of block chain, he said that technology will provide end-to-end real time supply chain visibility that enables all actors involved in a global shipping transaction to securely and seamlessly exchange information and documents which will significantly improve visibility. He said it is a string of multi-party transactions and actions that build on each other cryptographically which can be integrated with an existing application program interface.

Sighting examples from the industry, he stated that Maersk has digitalized the Bill of Lading (BL) which enables the digital transfer of BLs and related documents between all parties in the chain where everybody gets to contribute and get visibility which ensures one version of truth.

Conclusion

The Panel Discussion was successfully moderated by Senior Journalist, Mr. Nisthar Cassim in which many relevant questions were raised to the eminent panel resulting in a meaningful discussion. The panel discussion highlighted the urgency of enhancing port capacity by operationalizing the East Container Terminal and also the need to improve the ease-of- doing business and gaining investor confidence. Developing port infrastructure, strategic changes in thinking towards a more globally centered maritime operation and radical changes in policies were discussed as necessary elements to achieve the maritime hub aspirations





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SAGT BREAKS THROUGH 2 MILLION TEUs IN 2018



Standing from left to right;

Mr. Senaka Ranasinghe – Operations Manager SAGT, Mr. Nalaka Alwis – Manager, Head of Operations ONE Lanka, Mr. Ted Muttiah – Chief Commercial Officer SAGT, Mr. Ayesch Perera – Senior General Manager, Commercial & Marketing and Product & Network ONE Lanka, Mr. Lohitha Hettiarachchi – General Manager, Product & Network ONE Lanka, Ms. Dhashma Karunaratne – Commercial & Marketing Manager SAGT, Mr. Upul Jinadasa – General Manager Operations SAGT, Mr. Susantha Ratnayake – Chairman SAGT, Mr. Vishvanath Daluwatte – Managing Director One Lanka, Mr. Romesh David – Chief Executive Officer SAGT, Mr. Chinthaka Abeynaike – General Manager IT SAGT, Mr. Chandana Wijayanama – General Manager Human Resources SAGT, Mr. Mano Rajakariar – Chief Financial Officer SAGT & Mr. Prasanga Silva – Planning Manager SAGT

This is Sri Lankan talent showcasing local expertise and world class competencies in a global business.

South Asia Gateway Terminals (Pvt) Ltd (SAGT), Sri Lanka's first Private Public Partnership (PPP) a flagship venture of the Board of Investment (BOI), achieved an impressive 2 million TEU (twenty-foot equivalent container units) in a calendar-year for the first time on 19th December 2018.

SAGT commenced operations in 1999 and along its 19-year journey has consistently established ground breaking benchmarks, securing several global and regional awards in recognition of its operational high-performance, productivity and efficiency.

However, the achievement of 2 million TEUs in a single year is a first for the company and particularly significant considering the terminals original design capacity was assessed at just 1.1m TEU. Over the last five years SAGT has averaged around 1.7m TEU per annum. Its previous highest volume was 1.9m TEU achieved in 2009 and 2010.

Chairman of the SAGT board Susantha Ratnayake was all praise for Team SAGT saying "this is an outstanding outcome as a result of sound planning, management and operational execution. This



is Sri Lankan talent showcasing local expertise and world class competencies in a global business. It is a proud day for Sri Lanka and Sri Lankans".

Commenting on the occasion of discharging the momentous 2 millionth TEU, SAGT's Chief Executive Officer, Romesh David said "Team SAGT is delighted to have once again risen to the occasion. The continued narrowing of the supply and demand for terminal capacity in the port, means this achievement

enables additional capacity in support of the Port of Colombo's growth aspirations".

"Furthermore, this is an excellent example of team work within the SAGT family and with multiple industry stakeholders and service partners whose collective commitment to be the best, reaching a new horizon of excellence. We appreciate the support of our loyal customers and acknowledge the leadership of the Sri Lanka Ports Authority (SLPA), the Harbour Master



and port Pilots who provide vital ancillary services making these outcomes possible” he added.

SAGT’s achievement of 2 million TEUs generated over a 940 metre quay length, provides the best operational yield per metre of quay length in the port of Colombo and indeed in the South Asia region.

Upul Jinadasa, General Manager Operations who has been with the company from inception said

“SAGT continues to evolve driving innovation and safety at the heart of its operational efficiency”. Adding “this is an inspiring turning point for our operations. We are excited at the prospect of making this the new normal at SAGT”.

South Asia Gateway Terminals (SAGT) is the first Public Private Partnership container terminal in Sri Lanka (with approximately 60% Sri Lankan shareholding) and commenced operations in 1999, launching the

Port of Colombo as global trade’s preeminent gateway hub to South Asia. Today, the terminal is one of three operators in the Port of Colombo and continues to offer the international container shipping community a competitive best in class service. SAGT is a Board of Investment flagship company whose shareholders include – John Keells Holdings, Maersk/APM Terminals, SLPA and Evergreen Marine Corporation.



Gender Imbalance *in* The Maritime and Logistics Sector

Dr. Lalith Edirisinghe

Gender inequality in education takes many forms depending on the context. Though gender inequality affects girls and boys, women and men alike, girls and women are still more often disadvantaged [1]. The maritime and logistics education is not exempted from this factor. Years ago, the maritime and logistics industry-particularly the shipping sector in Sri Lanka were perceived as industries that generated employments for males rather than females. However, one cannot totally deny the fact that certain social and cultural factors in the country do not act in favour of women engaging in operational activities related to various sectors in the transport and logistics industry. Factors affecting female participation in education are geographical, socio-cultural, health, economic, religious, legal, political/

Both men and women enjoy relatively high standards in health and education in Sri Lanka, in comparison to many of the other developing countries.

administrative and educational initiatives [2]. However, this phobia has gradually eased with shipping and logistics jobs proved to be more academic or professional centric than skilled or technical centred in the past. The technology has played a major role in this evolution, while globalization has made it to view the changes taking place in the transport and logistics industry overseas. This awareness of many opportunities available for women and the fact that many females have developed successful careers in the transport and logistics industry internationally gradually created confidence among the women in Sri Lanka.

This case study is a combination of desk research and interviews with various professionals in the maritime and logistics sector as well as academia. The secondary data were obtained from the Department of Census and Statistics, Central Bank of Sri Lanka, Department of Examinations of Sri Lanka, University Grants Commission of Sri Lanka, and CINEC Maritime Campus of Sri Lanka. Past researches on gender imbalance, education and training methods have been referred to ascertain the relevance and potential impact of the factors with respect to the scenario explained in the study. The primary data has been obtained from the academic and non-academic staff, parents and students of various government and private education institutes through interviews. The convenient sampling method has been deployed to gather data. The paper proposes an extended research based on the results of this case study. Therefore, no questionnaire or statistical analysis were carried out at

this stage.

Gender Parity

The Global Competitiveness Report 2014–2015 of the World Economic Forum (WEF) reveals that the discrimination according to gender is, inter-alia, a typical example of social exclusion that has a considerable negative impact on the competitiveness of a nation. The report also suggests that the international community has made significant progress in defining inclusive growth. However, agreeing on a comprehensive and more actionable framework remains an ongoing challenge. According to WEF, promoting gender parity is one of the key areas of this initial framework which will be used as a point of departure for a series of policy dialogues among policymakers, business leaders, and other opinion shapers. This paper discusses the key issues caused by gender inequality in the maritime and logistics sector. It focuses on the factors such as unemployment, secondary and tertiary level of education in Sri Lanka, and other external influences.

Both men and women enjoy relatively high standards in health and education in Sri Lanka, in comparison to many of the other developing countries. However, despite these positive social development indicators, the country's overall level of women gender empowerment is below the average level of developing countries [3]. The role of female participation in every sector is significantly on the rise in Sri Lanka. But, lack of higher education facilities restricts the university admission. Hence this scenario leads to gender imbalance in Sri Lanka [4]. The

maritime industry is one of the unique sectors, which has been accepted worldwide, as being a predominantly a job for men, thereby making it difficult for women to penetrate and function easily within the industry. [5]. This factor is common in Sri Lanka as well. The supply chain and logistics sector remains male dominated [6]. Education facilitates access to resources such as information, knowledge and skills and enhances capability to use them, to make choices, to improve life chances and to develop self confidence and autonomy. It is, therefore, an instrument to reduce gender and socio-economic inequalities as well as an agent of empowerment [7]. The challenge is to reduce existing gender inequalities through gender sensitive policies and programmes and to promote empowerment through developing capabilities as well as self confidence through socialisation, particularly through the education process [7].

It may be many people's dream of reaching the heights in navigating and becoming a captain. Despite such dreams and the substantial financial remuneration involved in seafaring, the participation of women is at a negligible level. The general perception in the society is that women can easily become victims of sexual harassment in the sea. Sexual harassment or living in an environment that may lead to similar incidents is a key issue in the maritime industry. As cited in [5] the Collins Cobuild English dictionary sexual harassment is, "repeated unwelcome sexual comments, looks, or physical contact, usually by men against women". According to [5] most of the women who fall victim to it never complain, preferring to reveal it to a confidante instead. The article further reveals that two of the female officers interviewed had counter questioned, "to whom do you complain to? the male master or the Managing Director?" The fact is that at least some people are aware that this does happen at times. In the recent (April 2000) issue of the Telegraph the 'bomb' of sexual harassment exploded under the article "Men behaving badly is no joke". This is the time when a public reproach has been made against sexual harassment in the maritime sector and it is being handled by the Women Trade Union Congress (WTUC). Hansen (1998) as cited in the same article quotes the women of the Danish Navigators' Union (DNU) at a meeting with the

	2012	2013	2014
Male	2.9	3.2	3.2
Female	6.2	6.6	6.5

Table 1: Unemployment Percentage of Labour Force in Sri Lanka
Source: Department of Census and Statistics [8]

Age group (Years)	Sri Lanka	Gender	
		Male	Female
Sri Lanka	4.3	2.6	7.6

15–24	16.7	13.4	22.2
25–29	10.9	4.8	20.8
Over 30	1.7	0.8	3.5

Table 2: Unemployment rate by age group and gender (Fourth Quarter 2015)
Source: Department of Census and Statistics [8]

union officials, the first of its kind, saying that in the only instance where sexual harassment was mentioned, the response was to transfer the female navigator. This to some extent will not solve the problem, as the man stayed on the ship and could probably carry on his 'bad' behaviour towards a new victim. This common problem makes some women live in isolation on board or opt to quit their career. More than 80% of the questionnaires answered by women made mention of it in some form. However, this is a problem not discussed publicly due to its after effects.

Country's employment perspectives

Although there are plenty of success stories globally that the women have been very successful in the Transport and Logistics industry the general tendency of selecting maritime or logistics related education by females is still questionable. Therefore, it would be important to consider related statistics to realize the actual situation with regard to labour force trends and the unemployment rate of females in which it is plainly visible that there is enough room for improvements.

It shows the highest unemployment rate is recorded in the age group 15-24 years followed by 25-29.

Level of Education	Sri Lanka	Unemployment Rate (%)	
		Male	Female
Below GCE O/L	2.7	1.8	4.6
GCE O/L	6.0	4.4	8.8
GCE A/L & above	8.1	3.8	12.3

Table 3 : Unemployment rate by level of education – Fourth Quarter 2015
Source: Department of Census and Statistics [8]



Employment category	1	2	3	4	5	6	7	8	9	10	Total
Male	66	75	36	65	48	68	68	66	87	64	64
Female	34	25	64	35	52	32	32	34	13	36	36

Table 4: Employed person by occupation group-percentages of both sexes in Sri Lanka (Fourth Quarter 2015)
Source: Department of Census and Statistics [8]

According to table 3 the higher the level of education of females in Sri Lanka the more they are unemployed. This paradox is clear when the data are compared with the male category. The unemployment rate of males those who qualified with GCE ordinary level are higher than that of Advanced level and above. In other words with higher qualifications males have managed to secure employments. Therefore it appears that either the females have paid less interest to explore employment possibilities having secured higher qualifications or there are no employment opportunities available to them.

In order to review the issue, it may be vital to understand the current trend of gender participation in various occupation groups in Sri Lanka.

Key to the table

1=Managers, Senior Officials and Legislators

2=Professionals

3=Technicians and Associate Professionals

4=Clerks and Clerical support workers

5=Services and Sales workers

6=Skilled Agricultural, Forestry and Fishery workers

7=Craft and Related Trades workers

8=Plant and Machine operators and Assemblers

9=Elementary occupations

10=Armed Forces Occupations & unidentified occupations

Since category 4 combines clerks and clerical support workers, the data does not reflect the realistic picture and causes some problems. Generally, clerks are over-whelmingly females in the context of Sri Lanka although the table indicates otherwise. Further, it does not contain vocations such as "teaching" or public administration, medical profession, nurses, etc, which would have changed the picture totally. Therefore, it is presumed that they are included in category 3, under Technicians and Associate Professionals

because only the category 3 has a higher participation (64 %) for females. Usually the employers have many obvious reasons to prioritise the male candidates when recruiting staff. Given the eastern cultural norms and social practices, females are reluctant to work late hours. When it is really necessary to have female workers carry out night duty there are certain legitimate conditions to employers to provide hostel facilities or transport services home. In contrast these additional expenses are eliminated with male employers. Particularly with respect to the shipping and logistics industry the 24/7 work pattern is very common. Ships arrive day and night and the port operates 24 hours of the day. The other key factor is granting maternity leave for female workers. In Sri Lanka, the Maternity Benefits Ordinance and the Shop and Office Employees' Act protects employees in the private sector from dismissal due to maternity reasons, so there is compliance in the private sector [9]. The female workers in the government sector are granted 84 days maternity leave with full pay, 84 days maternity leave on half pay and 84 days maternity leave on no pay in respect of every child-birth.

Generally, many Logistics, shipping, Freight Forwarding, Exports & Imports, or Trading companies that were keen to employ only male workers have realized the many advantages of designating professionally qualified females for specific jobs. Documentation, marketing, customer services, accounts, ICT, are some of preferred areas for female employees.

It was not possible to ascertain the precise data of the male and female combination in the logistics and transport degree offered by government universities because the statistics are published combining two different disciplines namely, fashion designing, transport and logistics under one category.

According to table 5 it is clear that the logistics and transport sector has been identified as a subject for tertiary education by only one government university in Sri Lanka. However in addition to the University of Moratuwa, there is another timely and very effective action which has been addressed by the University of Colombo in Sri Lanka. Accordingly, the students who follow Economics degree in the faculty of Arts can specialise in the maritime field in their final year of the degree. Although, this program attracts a limited number of students it is encouraging to note a major participation from female students. In fact usually, the female participation is anyway higher in the faculty of arts for that matter. This program is in fact a role model in maritime education because a government university has managed to successfully collaborate with the maritime industry which is dominated by the private sector. Accordingly, the university offers the Bachelor of Arts (BA) degree in Economics with Transport and Commercial shipping as a speciality. It is offered in both the 3rd and final years with all the technical modules being conducted by qualified lecturers from the industry. This exercise is synergised by the Ceylon Association of Shipping Agents in Sri Lanka ensuring the most updated knowledge is effectively transferred to students.

Therefore, more emphasis should be drawn in favour of creating job opportunities for this category while enhancing private sector education at the tertiary level that could charge on emerging disciplines and streams. For example, many Logistics, shipping, Freight Forwarding, Exports & Imports, or Trading companies that were keen to employ only male workers have now realized many advantages of designating professionally qualified females for specific jobs. Documentation, marketing, customer

University/HEI Faculty /Academic Programme	Sex	Colombo ⁴⁰	Peradeniya	Sri Jayewardenepura	Kelaniya	Moratuwa	Jaffna ⁴⁰	Ruhuna	Eastern ⁴⁰	South Eastern	Rajarata	Sabaragamuwa	Wayamba	Uva Wellassa	Visual and Performing Arts	Institute of Indigenous Medicine	Gampaha	Wickramarachchi	Ayurveda Institute	Swami Vipulananda Institute	University of Colombo School of Computing	Total
		Fashion Design/ Transport & Logistic Management	Female					37														
	Total					92																92
Total	Female	1527	1717	2069	1966	528	1489	1217	832	983	967	703	622	385	427	184	78	183	86		15963	
	Total	2270	2917	3215	2825	1575	2359	2027	1301	1456	1446	1190	1012	654	575	238	118	224	274		25676	

Table 5: Logistics student distribution in the government universities in Sri Lanka (Source: University Grants Commission , 2016) [12]

services, accounts, ICT, are some of preferred areas for female employees by many companies in the shipping and logistics sector.

The industry reality

The key impediment that was revealed during various interviews with parents is that the general perception regarding maritime and logistics (shipping in particular) is very poor. Parents who have less association with the industry think that a career in shipping ends up in a ship; a career in Logistics means carrying or handling cargo in stores; and a career in transport could literally mean driving vehicles. Basically, the misperception may have occurred due to the technical and operational 'front end' of the industry because these operational activities usually get exposed to the society than the clerical and desk work at the back end. On the other hand certain industry norms and realities have backed these conclusions. For example, most of the maritime and logistics activities are 24/7 operations, thus night work is inevitable. Therefore, those who have no knowledge about the diverse opportunities for day time duties in a logistics and shipping organization will obviously perceive that this industry may not be suitable for females. It is therefore necessary to build general awareness in the society about how this industry really operates including an awareness about the management functions that are available in the 'back end' of this complicated logistics and transport operation. On the other hand the night shifts are common in many

other industries such as health and garment manufacturing. Therefore, maritime and logistics sector should not be discriminated.

The most vital point revealed in this study is that the females, specifically those who completed their degrees in logistics and transport, immediately got employed in very prestigious local and multinational organizations. Most of them are even continuing employment in the same organization where they were placed for internships. The study also covered their employment status. The graduates are extremely happy with the firms they are associated with. These companies include, inter alia, MAS, Brandix, Fontera, Abans, Expolanka, SAGT, CICT, NYK, Hayleys, DHL, etc., which have a high reputation in Sri Lanka and overseas. Some students have left the country to take up overseas job assignments or to follow a full time Masters Degree in Logistics. There are also opportunities for them in the academic field as well. There are two females who secured high academic achievements and who were part of the lecture panel in the same university while following their masters' degree in logistics. This factor is common in other government and private universities in Sri Lanka. This is an extremely encouraging scenario but the fact remains that many parents and school authorities may not be aware of the opportunities available in the transport and logistics sector for Tertiary Education in Sri Lanka. The traditional preference by most parents or guardians for this task is securing

qualification in the areas of Accounting, Marketing, ICT, of general management with an unsuccessful Z – Score achieved at the GCE A- level performances.

External influence

The Indian Ocean Rim Association (IORA) completed a project funded by the Australian IORA Economic Development Fund in order to develop minimum skills according to global standards for selected port occupations including gantry crane operators. During this second workshop held in Sri Lanka the importance of women participation in the maritime sector was highlighted. Setting minimum occupational standards in the maritime sector means additional education and training being required. The combinations of these efforts point to gender issues in the maritime education. For the first time in the history of Sri Lanka Ports Authority a recruitment of 12 female gantry crane operators took place. These efforts have been strengthened by the Mahapola Training Centre which is a strong step in the right direction. These 12 brave women will act as brand ambassadors of this program and set good examples to other females who seek employment in the maritime sector. Education, irrespective of the stream is a service that needs to be marketed using the

What is required is the determination and interest by women to get them armed with right qualifications

pull strategy according to the theory of marketing. Therefore, women who are already in the maritime sector have a serious role to play in promoting the maritime education. Development of the national competency standard for logistic management (level 5 & 6) is currently in the process initiated by the National Apprentice and Industrial Training Authority (NAITA). This will further enhance education and training opportunities. Accordingly a workshop was held to develop a functional map for the above occupational sector. After the competency standards are set, the job opportunities will be driven by the professional qualifications that are secured by individuals irrespective of the gender. What is required is the determination and interest by women to get them armed with right qualifications because the gender equality is a more appropriate "gain on merit" rather than

"reward".

It is suggested that rapid social awareness programs are required to attract more female participation towards the maritime and logistics sector. There are sufficient opportunities available in Sri Lanka in that area. Collaboration between government authorities and private education institutes can play a substantial role by expanding the current scope. Forums such as the Chartered Institute of Logistics and Transport, Ceylon Association of Shipping Agents, Women in Logistics and Transport, Young Professional Forum, Young Shipping Professionals forum, Women in Shipping and Transport can act as the driving force in making the required awareness in the society as a national duty and the need of the hour. Logistics and maritime education may effectively

begin from schools as a secondary level education subject. This will erase much negative perception regarding female participation of the maritime and logistics sector in the society. The writer made a strong request to the authorities at the Sri Lanka National Logistics and Transport Excellence Awards 2018 to form a statutory body that focuses on this indispensable sector. This paper only discussed the gender inequality in education in Sri Lanka particularly in the maritime and logistics sector. An extension to this study may be timely in the form of an empirical scientific research on identifying the factors that influence female students' choice of tertiary education with special reference to the maritime and logistics sector. Suggest by the Chapman's [13] model with certain revisions made incorporating the industry specific factors in the model.



Dr. Lalith Edirisinghe

Dr. Lalith Edirisinghe commenced his career in 1981 as a Trainee Cadet Officer in Merchant Navy. He holds a PhD, in Transportation planning and Logistics Management from the Dalian Maritime University affiliated to World Maritime University, Sweden. Dr. Edirisinghe is a researcher in Supply chain management and his innovations include, Container Inventory Management (CIM) Concept Model; Multidimensional CIM; Evaluation Country Index; Carriers' CIM Competence Index; 3F CIM Matrix;

6R container Supply Management Model; Customs Harmonized System Code Process Flowchart and Virtual Container Pool©. Dr. Edirisinghe is a past student and a Teaching Prefect of Ananda college. At present, he is the Associate Dean of the Faculty of Management in CINEC Campus.

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WHAT WE DO...WE DO BEST

A photograph of a beach heavily littered with various types of plastic waste, including bottles, bags, and containers, illustrating the problem of marine plastics.

MARINE PLASTICS: WE SHOULD FIGHT THEM ON THE BEACHES

by: Eunomia Research & Consulting

Over 80% of the annual input comes from land-based sources. The main contributor is larger plastic litter, including everyday items such as drink bottles and other types of plastic packaging, but the importance of primary microplastic emissions is increasingly understood. The remainder comes from plastics released at sea, the majority as a result of fishing activities – for example, due to lost and discarded fishing gear.

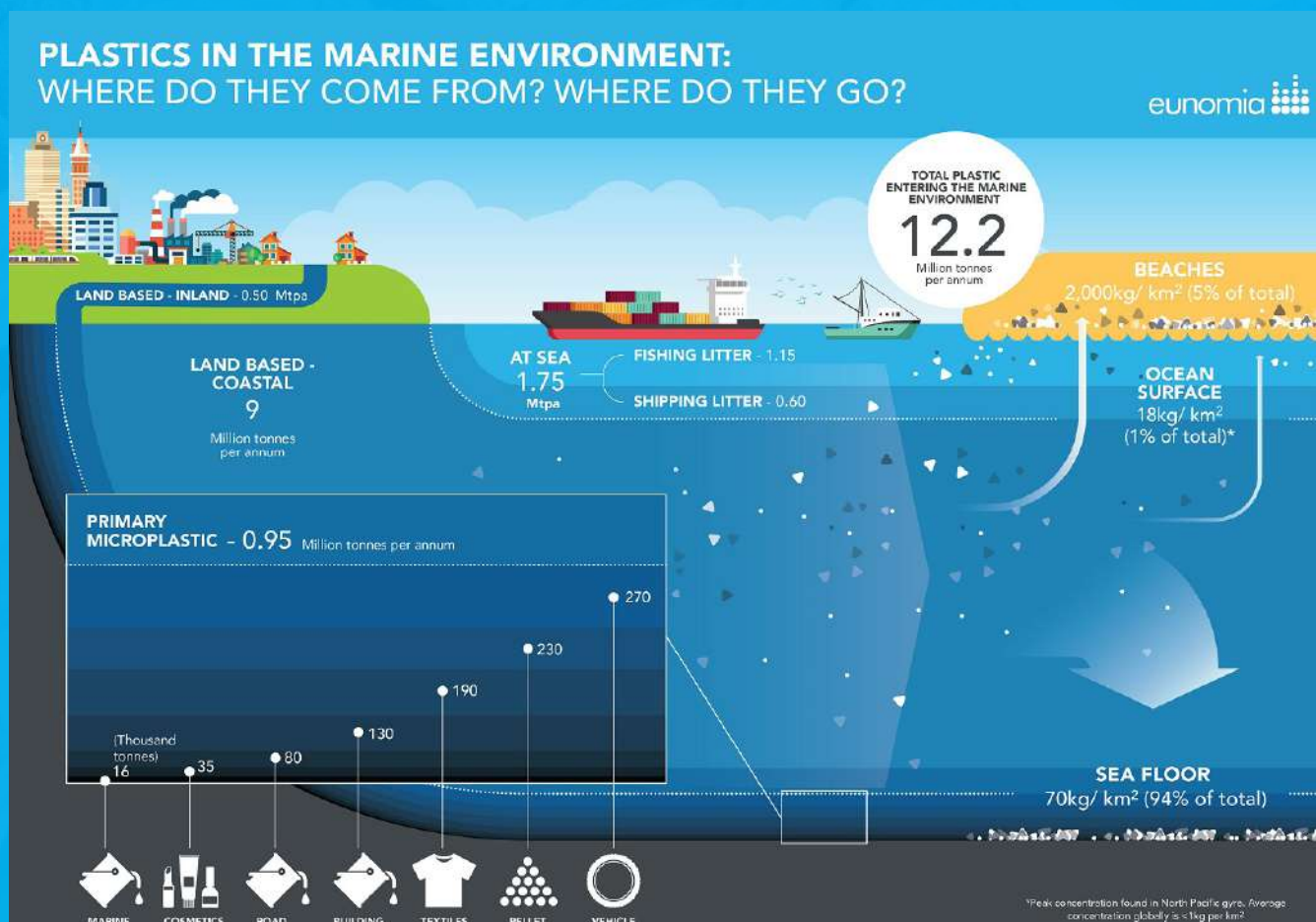
94% of the plastic that enters

the ocean ends up on the sea floor. There is now on average an estimated 70kg of plastic in each square kilometre of sea bed.

Despite the high profile of projects intended to clean up plastics floating in mid-ocean, relatively little actually ends up there. Barely 1% of marine plastics are found floating at or near the ocean surface, with an average global concentration of less than 1kg/km². This concentration increases at certain mid-ocean locations, with

the highest concentration recorded in the North Pacific Gyre at 18kg/km².

By contrast, the amount estimated to be on beaches globally is five times greater, and importantly, the concentration is much higher, at 2,000kg/km². While some may have been dropped directly, and other plastics may have been washed up, what is clear is that there is a 'flux' of litter between beaches and the sea. By removing beach litter, we are therefore cleaning the oceans.



Dr Chris Sherrington, Principal Consultant at Euonomia, said:

“Prevention is usually better than cure, and there’s a lot more we could do to stop plastic from entering the marine environment in the first place. Preventing waste and preventing litter can go hand in hand. The charge on single-use carrier bags is a cost-effective step in the right direction, but we should be considering the same approach for other commonly littered plastic items, like take-away cups and disposable cutlery. Deposit refunds on beverage containers would help incentivise people to return them for recycling, and reduce the amount littered.

“When plastic does get into the sea, it’s clear that efforts to remove it from the beaches are extremely valuable. They’re generally more accessible than the mid-ocean, there’s more material there overall than there is floating, and it is much more concentrated on beaches.”

Ship agency

Claims Review

The claims examples reproduced here have all featured in issues of The Claims Review and are all case studies which have either been paid by ITIC or where assistance has been provided. These examples should be invaluable in helping you to identify potential claims exposure within your business. ITIC recommends that you review your procedures continuously in order that you avoid these types of situations occurring to you and your business.

Misread tariff

A port agent was asked by the owners of a ship to provide a quote for the costs of discharging a shipment of project cargo.

The agent reviewed the port authority's official tariffs, and advised the owners that the stevedoring costs would be US\$28.90 per metric tonne of cargo.

The cargo weighed 296 metric tonnes, so the owners calculated the stevedoring costs at approximately US\$8,500 and quoted that in turn to the charterers of the ship. The voyage was fixed on that basis.

The cargo was discharged and the stevedores invoiced the agent US\$130,000 - costs which were passed to the owners who questioned them. The agent then realised that the US\$28.90 rate that they had quoted to the owners was the rate per cubic metre, not per metric tonne. The case was reported to ITIC who verified, via local correspondents, that the agent had simply misread the port tariff document.

The agent approached the stevedores who were willing to offer a discount on the costs, and ultimately the agent settled the claim for US\$75,000, which was covered by ITIC.

Claims commonly arise from misread tariffs. In another recent case, ship agents in Australia quoted the incorrect port charges for a local port to their customer. Their customer then fixed on that basis and suffered a loss of AU\$86,000. The claim against the agent was reimbursed by ITIC.

The price of proving innocence

A ship agent was named as a second defendant by cargo interests in a claim for damage to significant quantities of imported aluminium. The ship agent had not been involved with the damage to the cargo, but had merely been included in the legal proceedings.

ITIC, on behalf of the ship agent requested that the shipowner instruct their lawyers to include the defence of the ship agent's interests, along with those of the owner's. The owner's P&I Club agreed to defend the ship agent and a judgement in favour of the defendants was passed.

However this judgement was appealed and then overturned. In the meantime the ship owner went into administration and the P&I

Club was no longer in a position to support the claim. ITIC instructed the lawyer to continue defending the ship agent. The case was then heard by an appeal court who found in favour of the claimants. This decision was appealed in the Supreme Court, who passed judgement confirming that the case filed against the agent lacked substance. The total costs incurred amounted to US\$95,000.

This claim shows the high price of proving innocence. As with a number of claims seen by ITIC, this example illustrates that you don't need to make a mistake to be sued and you could find yourself on the receiving end of legal proceedings, even if you are not at fault.

Not our bills

Ship agents based in South America found themselves being pursued by owners of a ship that they had never represented. The claim was for legal costs that the ship's owners incurred for filing a response to legal proceedings issued by cargo insurers.

Due to a simple error in the ship agents' office, a bill of lading was issued in the name of "Good Ship" instead of "Good Ship 1". The documentary error went unnoticed. The "Good Ship 1" arrived in Miami, USA where the cargo was found to be damaged. Legal proceedings were subsequently issued by cargo insurers against the owners of the ship named in the bill of lading. The owners of "Good Ship" had to instruct lawyers to file a response to the demand to avoid judgment being entered against them.

The defence they filed denied liability on the basis that the "Good Ship" was not the correct ship. The claimants eventually accepted that this was the case and pursued their claim against the actual carriers. Fees and legal expenses incurred by the owners of "Good Ship" were claimed from the agent. It is interesting to speculate what would have happened if the claim against the actual carriers had become time barred before the error was resolved.

Boom and bust

A ship agent booked a container of calcium hypochlorite to be moved from a port in the Middle East to Europe. Calcium hypochlorite is a dangerous cargo, with an IMO classification of 5.1. The shipping line had sent clear instructions to the agent prohibiting the loading of this cargo, along with a number of other dangerous cargoes. The agent appeared to have overlooked this instruction.

Both the cargo and the container were clearly marked as dangerous cargo, so were shipped on deck as per regulations.

Unfortunately the cargo auto-combusted onboard the vessel and caused damage to four other neighbouring containers, their cargoes and the ship. The total claim was in excess of US\$700,000.

Cargo claims were pursued against the shipping line, who ultimately settled each of the claims out of court. The total cost was US\$130,000, including legal costs.

The shipping line held the agent responsible and ITIC reimbursed the agent in full, less the deductible.

The forgotten tug costs

A Scandinavian port agent was asked by the owners of a ship to provide a proforma disbursement account for a call at their port. When the final disbursement account was sent to the owners, they questioned the fact that it included a charge of US\$17,500 for tugs that had not been part of the proforma disbursement account.

The original proforma disbursement account was used by the owners when calculating

the rate required for the fixture, which meant that the owners had not allowed for the tug charges. The owners claimed the tug charges from the port agent.

Although the owners were regular callers at the port and ought to have realised that tugs were required, they claimed to have only read the bottom line when negotiating the fixture and the agent's omission had therefore caused them a loss. **BRIDGE**





Wrong holds

A ship agent issued bills of lading in respect of a cargo of different types of coal being transported to Canada. Due to human error, they confused the holds and indicated on the bills of lading that Coal Type A cargo was in holds 1, 3 and 5 and Coal Type B cargo was in holds 2 and 4. However, it was actually the other way around.

The cargoes were discharged to the wrong facilities. The receivers brought a claim against the owner which was passed to the agent.

ITIC arranged for lawyers to represent the agent. They argued that there was a discharge plan on the vessel (which was correct) and had the vessel been discharged in accordance with the discharge plan this claim would not have happened. In addition the receivers had a surveyor in attendance and his reports referred to the correct configuration of the cargo. The bills of lading were however clearly wrong and the agent ultimately contributed US\$185,000 which was 45% of the claimed amount.

ITIC reimbursed the costs of the settlement and the legal fees incurred.

Arctic arrest

A South American ship agent advised ITIC that the owners of a cruise ship owed them over US\$25,000 relating to the costs of crew and supplies incurred during various calls. Reminders and chasers to the owners had not resulted in payment and it was decided that more aggressive action was needed.

ITIC ascertained that the ship was chartered to a cruise line and was due to sail from a port in the Canadian Arctic for the High Arctic, and had no apparent plans to revisit South American waters. ITIC instructed its Canadian lawyers to arrest the ship where she was in the Canadian Arctic and within hours of the arrest being served the owners paid all the outstanding debts in full.

The owners admitted that they did not think that anyone would be able to arrest the ship in such a desolate place. The owners were wrong and they paid not only the outstanding disbursements, but also the arrest costs.

Telex release goes wrong

Liner agents frequently have to arrange for cargo to be released against bills of lading surrendered at the loadport – the so called “Telex Release”. This type of release is risky as no bill of lading is collected at the discharge port and frequently results in misdelivery of cargo. In a recent case two containers were shipped to a port in the Netherlands by a shipper; both containers were consigned to the same company.

The shipper gave instructions to the load port agent to release one of the containers and this authority was passed to the discharge port agent, who mistakenly released both containers. The consignee never paid for the second container, and the shipper appointed lawyers to pursue recovery of €76,000, the value of the cargo in the second container, from the shipping line.

The claim was eventually settled, after negotiation, for €66,000, which was claimed from the discharge port agent.



All in the timing

A ship agent was advised by the local pilots' association that ships arriving or departing the port needed to give two hours' notice for pilot services instead of one.

Unfortunately, shortly after the change came into effect, the agent overlooked the

new requirement. As a result there was no pilot available for a ship arriving at the port under their agency. The ship missed its berth and was delayed by 2 days.

The agent received a claim of just under US\$50,000, which was reimbursed by ITIC.

Berth booking blunder

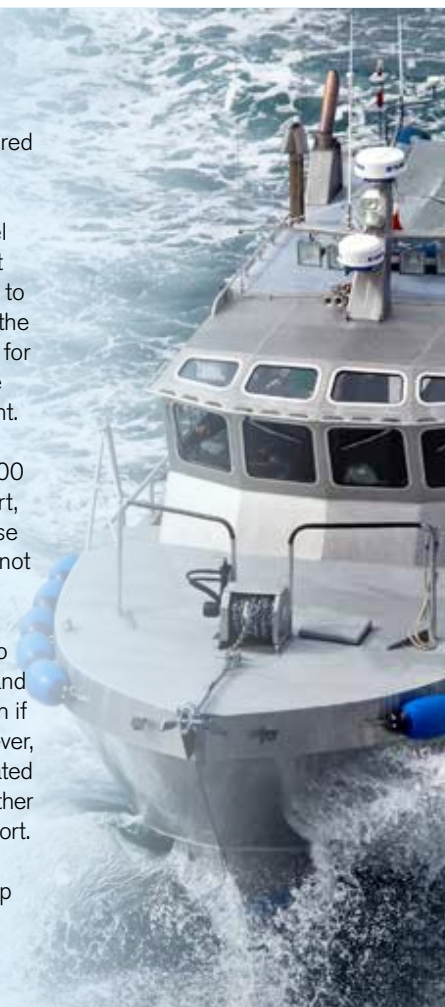
Ship owners appointed a port agent for the call of their vessel for bunkers. The agent failed to complete the required customs formalities in time to book the berth.

Unfortunately, this mistake went unnoticed until the vessel was approaching the port. After being notified by the agent of the mistake, the ship owner decided to divert the vessel to another port around 500 km north of the original port as the bunker berth at the first port was not due to become free for another five days. The ship agent also operated within the second port and the bunkering proceeded without incident.

When the time came to settle invoices totalling US\$26,000 issued by the various service providers in the second port, the owners refused to pay. The owners claimed that these additional costs had been incurred by them as a result of not being able to call at the original port.

The costs were in fact the normal charges that related to bunker calls, such as tugs, security charges and pilotage and would have been payable by the owners in any event, even if the vessel had been able to call at the original port. However, the vessel had been delayed by two days and it was estimated had incurred costs that exceeded this amount for fuel and other costs, as a result of having to travel 500 km to the second port.

Rather than enter into a dispute with the owners, the ship agent paid the port costs for the bunker call, and was reimbursed by ITIC.



Reefer claims

ITIC has, over the years, paid out large sums in respect of claims for damage to refrigerated cargo due to mistakes by ship agents in passing information on temperatures. Claims from the incorrect setting of reefer containers are one of the most frequent claims experienced at ITIC. Ship agents need to ensure that they have the processes in place to ensure that they correctly manage reefer containers.

Failing to go cold turkey

A ship agent, arranging for the export of a consignment of frozen turkeys, mistakenly notified the line's reefer engineers that the cargo needed to be carried at a temperature of +13C°. instead of -25C°. The mistake went unnoticed and the cargo was loaded onto the ship accordingly.

The discrepancy between the bill of lading and the actual temperature of the container was also not noticed during an inspection of the containers by the crew of the vessel, prior

to sailing. It was also later alleged that the container temperature went unchecked for the entire voyage. When it was discovered that the turkeys had been carried at the incorrect temperature, the carrier received a claim for the total loss of the cargo (US\$125,045).

In turn, they claimed this amount from the ship agent. In view of the contributory negligence by the ship's crew, the claim was eventually settled with a contribution from the ship agent of US\$30,000.

Not plugged in

Three containers of pork were shipped from one European port to another. The containers were discharged from the ship, but the discharge port agent had overlooked the instructions to keep the container on power and the units were not plugged in until 11 days later.

The reefer logs showed that the cargo had been at the correct temperature whilst on the ship, but that it was only after discharge that the temperatures started to rise.

The port agent faced a claim of US\$45,000, which they had to pay. ITIC reimbursed the ship agent in full.

A tidal change

In early 2011 a ship agent at a tidal port in Japan was asked to provide a tide table to enable the owner of a ship to calculate the permissible drafts for the dates his ship was due to berth at the port. The ship agent duly scanned the tide table and sent it electronically to the owner.

The ship arrived at the port with a draft of 8.56m, but was informed by the port authorities that the permissible draft was only 7.8m. Unfortunately it emerged that the agent had inadvertently sent the owner the tide table for 2012 instead of 2011. The two tide tables were kept together in the same file, and during scanning the corner of the tide table had folded over, thereby obscuring the year.

The excess draft meant that the ship could only discharge for about 4 hours in the morning and 2 hours in the afternoon. The ship had to shift anchorage three times during the four days it took her to discharge, which was twice as long as it should have taken had the shifting not occur.

The owner claimed the pilotage and towage costs involved in shifting to the anchorage three times, plus two days hire, additional bunker consumption, additional stevedoring, which totalled US\$143,000. It was agreed by the owner that some of the costs would have been incurred in any event, and the claim for additional costs was settled at US\$120,000.

Gas free or not gas free

A North American ship agent was nominated for the call of a ship scheduled to load at a terminal on the east coast of USA. After the ship agent notified the terminal of the ship's pending arrival, the terminal foreman advised the agent that the ship had to be "gas free" prior to loading.

This information was passed to the master of the ship. The master replied that his tanks were inerted to less than 2%. The ship agent did not pass this information on to the terminal. The ship received loading instructions and proceeded to clean tanks while en route to the terminal. Just prior to arrival, the terminal sent a message again to the agent to the effect that the tanks would need to be gas free prior to loading.

The ship agent passed this information to the master who said that he would require 24 hours to make the ship gas free. This procedure was followed but the shipowner found subsequently that the terminal would have considered the ship ready to load in either a gas free state or an inerted state. A demurrage claim of US\$67,375 was incurred and this was claimed from the agent.

There were arguments on behalf of the agent as to why the charterers and the owners had not taken more care to ensure that the ship complied with the terminal's requirements, but the agent had to accept responsibility for an element of the demurrage claim.



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KISHU GOMES

Leader Par Excellence

by Rochelle Palipane Gunaratne

COUNTRY BEFORE SELF

Kishu Gomes is a brand in itself! The name is a powerful reflection of the man who is quintessentially a leader in every sense of the word. Not only does he lead but serve with intent, setting the trail for many to follow. He has set numerous records in the corporate sphere throughout his 18 year career as the CEO/Managing Director of Chevron Lubricants Lanka PLC, a leading blue chip in the country and Managing Director of Chevron Ceylon Limited, a fully owned Chevron company. He is also instrumental in making Coca Cola a market leader during a eleven year stint in the Sri Lankan company prior to joining Chevron Corporation which is one of the largest energy companies in the world based in United States of America and making its presence felt in all continents across the world.

He has also created numerous benchmarks in diverse fields such as modeling, athletics, music, journalism, mentoring and more. His premature resignation from spearheading these juggernauts came as a surprise to many but Kishu's contribution to the corporate world and society has enlarged, mainly due to the time available to wholly devote to magnanimous efforts through philanthropy and mentoring. He has purposefully carved an indelible mark in the hearts of the hoj polloi from all parts of the island due to his charisma and ability to reach out to people.

BRIDGE: Kishu was responsible for scaling up the companies by spearheading a local team to ensure above average profit making and corporate presence in this region and at this juncture he was at his peak. What was the reason for your early resignation from the two global giants?

Kishu: It was a timely move as I wanted to explore new avenues and venture into the local sphere as it gives me the freedom to offer more of what I have learned to the younger generation and those that are vying for opportunities at present. Moreover, it gives me the space to add greater value to Sri Lanka's commercial world by engaging in multiple companies and not confining myself to a single entity.

BRIDGE: What have you observed during your interaction with the masses?

Kishu: Our country is rife with scores of talented folk who lack the opportunities

to prove their worth and that is what I am keen to offer through the many competitions and programmes in which I share my expertise with them.

BRIDGE: What are some of the prolific roles you play?

Kishu: I assist organizations to strategically restructure the leadership and develop the management through capacity building and other leadership programmes.

I am also pleased to be on the advisory board of three (03) top notch educational institutions; Colombo International Nautical and Engineering College (CINEC), Sri Lanka Institute of Information Technology (SLIIT) and the Colombo School of Business and Management.

In terms of media I spearhead a team which hosts the local version of 'America's Got Talent' and sit as an adjudicator at various talk shows and more.

BRIDGE: What do you wish to achieve through this engagements?

Kishu: I wish to create greater value within another human being and enhance their innate talents by giving them a morale boost through my experiences and knowledge

Sharing an anecdote from his past enabled us to catch a glimpse of Kishu's leadership traits; "As a teenager I was sent to live with my uncle who was a strict disciplinarian and a cousin who was very studious. This was to influence me to focus more on my studies instead of sports," reflected Kishu with a smile as it turned out that the chosen influencer instead became influenced by Kishu's ideals, much to the chagrin of his uncle but later on in life the uncle was proud of his two nephews who achieved immense success in their chosen fields.

BRIDGE: What are the recent events of international repute you have been involved in?

Kishu: I was the Head of the Jury at the recently held Tourism Awards which was held after a spate of six years. It provided a portal for the stakeholders in the tourism industry to be duly

"If you want to win, you have to compete."

– Kishu Gomes

recognized and subsequently awarded for uplifting the industry standards.

Next in line are the Sports Awards which is organized by the Sports Ministry. The event had to be postponed indefinitely due to an unavoidable situation but will be held in the ensuing months.

I am also presiding as Head of the judging panel at the 2017/2018 Platinum Sports Awards which is scheduled to be held within the following months.

BRIDGE: What drives you to do embark on such extraordinary feats?

Kishu: The love for people and most importantly, my country as I see so much of scope in Sri Lankans, which could be activated by a mere nudge.

BRIDGE: What are some of the ideals

you wish to share?

Kishu: I believe that healthy competition is vital for the growth and strengthening of individual characteristics and talents. Some are afraid of competing for lack of confidence but to ensure success in one's life takes guts and the willingness to compete irrespective of the outcome. Life is irrevocably getting harder but in order to survive you need to embrace competition, understand it and be driven by it.

Some of the aspects which are out of your control as in a macrocosm could be the political issues, environmental hazards, social and safety grounds, yet you need to focus on the things you can control in terms of your strengths and what you are capable of doing to ensure more meaningful results.

His awards lay claim to his fame as a legendary figure

- Most Outstanding Sri Lankan Award 2017 by the International Association of Lions Clubs for the Advancement of Entrepreneurship and Business Management in May 2017
- Regional Gold Award for Best Business Performance in the Asia Pacific
- Two Entrepreneur of the Year awards in 2007 at Provincial and National level
- Best Business Leader of the Year 2004 award by CIMA Sri Lanka
- Most Outstanding Young Person in Sri Lanka (TOYP) award for Business accomplishments and Entrepreneurial Leadership by the Junior Chamber in 2003.
- Inaugural Best Young Director award by the Sri Lanka Institute of Directors in 2002
- Inaugural Top Three Marketers Award by CIM's Sri Lanka Branch in 2001

Mercurial Accomplishments

Not only has he risen in the corporate ladder but throughout his career he has made an impression on many reputed organization such as the American Chamber of Commerce (AMCHAM). "I was appointed as the President and served on its board for an additional period of five years. In 2003 as the youngest Head of the organization, I had the honour of leading it to the highest recorded financial year. Additionally, I was appointed the Senior Vice Chairman of the Chartered Institute of Marketing, UK – Sri Lanka Regional Branch and served on the Advertising and Promotional Committee of the Chartered Institute of Management Accountants (CIMA) as a representative of CIM.

At the helm of his career at Chevron he bore several memberships in related teams such as the Asia Pacific Lubricants Team and functioned as an Extended Leadership Team Member of the Global Lubricant operation.

It is not merely business-oriented fields that have sought the guidance and wisdom of the legendary Kishu Gomes

but his expertise have been much sought after by the aesthetic sphere as he served on the Advisory Board of the International Music Foundation, assisting Sri Lankan youth to improve their talents pertaining to art and culture. He was also the Vice-Patron of the Institute of Automotive Engineers, Sri Lanka for many years. In addition, he sits on the boards of Cine Star Foundation and Outstanding Song Creators Association (OSCA) to ensure the rights and welfare of the Cinema and Music artists in Sri Lanka.

He has extended his repertoire to cover the more pressing issues by his involvement and post as the Chairman of the Lanka Business Coalition on HIV and AIDS representing the entire private sector as a leader, in addition to functioning as a board member of the AIDS Foundation of Sri Lanka for several years to mitigate the risk of HIV and AIDS penetration and its negative social and economic consequences to Sri Lanka.

He has also been instrumental in judging numerous events of renown

such as the Effies Advertising Awards and Brand Excellence conducted by the Sri Lanka Institute of Marketing (SLIM). In addition he has been included in many judging panels including the Miss Sri Lanka Beauty Pageant for Miss World. In recent times he headed the 'Platinum Awards 2016' jury, known as OSCA's of Sri Lankan sports, providing leadership to an elite panel inclusive of four Olympians and other members who had excelled in a global level in their respective sports.

Although he has shied away from the political arena, he was appointed to the Committee of Experts to formulate the National Sustainable Development Vision of Sri Lanka -2030 by the Presidential Secretariat on H.E. the President's initiative in the year 2017.

Business magnate, model extraordinaire and T.V. personality are among other notable achievements in his illustrious career but Kishu remains humble with a passion for sharing his knowledge and 'giving back' to society.

are categorized under the Masters list for their consistent performance. Longtime supply chain leader and last year's runner-up McDonald's joined Apple, P&G and Amazon in qualifying for the "Masters" category, which Gartner introduced in 2015 to recognize sustained leadership over the last 10 years.

The key to McDonald's success is skillful orchestration across a network of strategic suppliers, service providers and thousands of companies and franchise-owned stores worldwide according to Gartner. The company is also experimenting with digital supply chain capabilities like augmented reality to manage storerooms, so staff can spend more time with the customer.

Unilever has a strong supply chain brand, which is reflected by its top-tier opinion poll score. It also received a perfect 10 for corporate social responsibility (CSR). They are making big bets in the digitization of its supply chain. A key initiative is robotic process automation (RPA) supporting the order-to-cash process, run from its regional service control towers. Its more than 20 'bots' have already automated hundreds of processes, with a roadmap for hundreds more.

The Gartner Supply Chain Top 25 is about leadership. Annually Gartner identifies the companies that best demonstrate leadership in applying demand-driven principles to drive business results. The ranking score is based on a combination of the peer and Gartner opinion, Return On Assets, inventory turns and 3 year revenue growth.

From the beginning, a primary objective of the Top 25 has been to foster the celebration and sharing of best practices and to raise the bar of performance for the broader supply chain community. It also seeks to shine a light on the importance of supply chain for corporate executives and the investment community at large.

The ranking is focused on identifying the supply chain leadership, which includes operational and innovation excellence, but also other behaviors such as corporate social responsibility and a desire to improve the broader

practice of supply chain management. While the list always changes annually, there are some common characteristics that separate the best from the rest.

Gartner's Top 25 Supply Chains for 2018 is given below with a comparison against the 2017 ranking in table 1.

Three key trends stand out this year for supply chain leaders that are accelerating their capabilities, separating them further from the rest of the pack.

- **Focus on Customer Experience**

Gartner defines the customer experience (CX) as the customer's perceptions and related feelings caused by the one-off and cumulative effect of interactions with a supplier's employees, channels, systems and products. Companies recognize that their customers are heavily influenced by their supply chain experience.

Many leading supply chains are using digital connections with customers to better understand their use of products, predict future demand and more quickly respond to issues, even before they appear.

- **Scaling Digital Supply Chain Capabilities**

After a first round of experiments, leading companies are scaling the most viable digital supply chain solutions in factories, warehouses and corporate back offices. While automation is most common in manufacturing and logistics, there has also been an explosion in digital customer service. This includes RPA in the order-to-cash cycle and the use of trained artificial intelligence (AI) customer service chat-bots that customers may mistake for a human, due to their use of natural language.

- **Moving to Circular Supply Chain Designs**

Leading companies have changed their mindset when it comes to environmental sustainability. Advanced supply chains now take a life cycle-based approach to understand the total

Gartner is the world's leading information technology research and advisory firm providing technology related insights, founded in 1979 and head quartered in the United States. Research provided by Gartner is targeted at CIOs and senior IT leaders in industries that include government agencies, high-tech and telecom enterprises, professional services firms, and technology investors. Gartner clients include large corporations, government agencies, technology companies and the investment community. Gartner uses hype cycles and magic quadrants for visualization of its market analysis results.

Gartner ranking is done annually to rank world's top 25 supply chains. 2018 marks the 14th anniversary of the Gartner Supply Chain Top 25 ranking. This year features a diverse set of large, global companies with mature, demand-driven supply chains. There are lessons to be learnt from these supply chain leaders, many of whom have led their industries over the past decade.

This year's Gartner ranking is led by Unilever for the third successive year, followed by Inditex, Amazon, Cisco, Colgate Palm olive and Intel occupying the top 5 positions. High-tech industry dominance which has been there over the years in the rankings is slowly diminishing now with other companies taking over them in the rankings. The companies who have been in the top 5 ranking for at least 7 out of the 10 years

2018 Rank	Company	Company Logo	2017 Rank
1	Unilever		1
2	Inditex		3
3	Cisco Systems		4
4	Colgate Palmolive		9
5	Intel		6
6	Nike		8
7	Nestle		7
8	Pepsico		11
9	H&M		5
10	Starbucks		10
11	3M		12
12	Schneider Electric		17
13	Novo Nordisk		Not in the list
14	HP Inc.		19
15	L'Oréal		20
16	Diageo		23
17	Samsung Electronics		25
18	Johnson & Johnson		13
19	BASF		16
20	Walmart Inc.		18
21	Kimberly-Clark		21
22	Coca-Cola Company		14
23	Home Depot		Not in the list
24	Adidas		Not in the list
25	BMW		22

Table 1 – Gartner Ranking 2018

impact of products and operations across the value chain.

There are many reasons why companies are pursuing these 'circular economy' strategies. It is often seen as an altruistic desire to do what is best for the environment and society, combined with a commercial desire for continued differentiation in competitive markets. As a result, some companies are now recycling and repurposing old parts in new products and extending the life cycle of existing equipment, as part of broader circular business strategies.

Garter Ranking Methodology

The companies are selected for the Gartner ranking, using the annual Fortune Global 500 and Forbes Global 2000 rankings. Certain industries and companies are eliminated from the list since some do not have supply chains per se, or their supply chains have unique characteristics that unfairly distort the metrics used in the ranking. Some of these industries include financial services, airlines and insurance. In addition, some individual companies are eliminated because of the non-availability of up-to-date financial data.

A composite score is derived for each company on the list, made up of three components. The first component of the ranking is publicly available financial data, which is weighted at 50% of the total score. The second component is the Gartner analyst opinion, which is weighted at 25% of the total score. The Gartner analyst voting panel consists of both industry and functional supply chain analysts. The third component is a peer opinion panel, which is weighted

at 25% of the total score, and comprises supply chain professionals across manufacturing and retail businesses.

These three components are combined to create a weighted average score for overall supply chain leadership. The following financial metrics are used and all financial data is taken from each company's annual report:

- Return on assets (ROA) - Net income / total assets
- Inventory turns - Cost of goods sold / inventory
- Revenue growth - Change in revenue from prior year
- CSR Component Score - Index of third-party corporate social responsibility measures of commitment, transparency and performance.

Composite Score: (Peer Opinion*25%) + (Gartner Research Opinion*25%) + (ROA*20%) + (Inventory Turns*10%) + (Revenue Growth*10%) + (CSR Component Score*10%).

A three-year weighted average for the ROA and revenue growth metrics is used. The yearly weightings used are as follows:

- 50% for the most recent year
- 30% for the second year
- 20% for the third year

For inventory, a one-year quarterly average calculation is used.

The intent of the Supply Chain Top 25 is to identify demand-driven leaders. This is defined as companies that, in the voter's expert opinion, and based on his or her knowledge of the industry and the practices of supply chain, are furthest along toward the demand-driven ideal.

Definition of Excellence

Gartner defines excellence as demonstrating leadership toward a demand-driven ideal. The Demand Driven Value Network (DDVN) model (Figure 1) has seven dimensions with interrelated areas of capability and five stages of progressive maturity along each dimension. The five stages in the maturity continuum are react, anticipate, integrate, collaborate and orchestrate.



Figure 1 – Gartner seven dimensions of demand driven value network excellence

Reference: <https://www.gartner.com>



Switch bills of lading a list of

“DO’S”

and

“DON'TS”

When a representative of ITIC was travelling to Sri Lanka recently, he was asked for advice on various questions about what to do and what not to do when issuing “switch” bills of lading.

Switch bills of lading are a second set of bills issued by the carrier (or by the carrier’s agent) in substitution for the bills of lading issued at the time of shipment. The agent who is asked to issue the second set is often at a port other than the load port. The holder of the bills may decide (for one reason or another) that the first set of bills is unsuitable, and the carrier is requested to issue switch bills to satisfy the new requirements of the bill of lading holder.

Some of the reasons are:-

- the original bill names a discharge port which is subsequently changed (e.g. because the goods have been resold and new bills are required naming a new discharge port);
- a seller of the goods in a chain of contracts does not wish the name of

the original shipper to appear on the bills, and so a new set is issued naming the seller as the shipper is issued;

- the goods were shipped originally in small parcels, and the buyer of those goods requires one bill of lading covering all of the parcels to facilitate his sale. Conversely one bill may be issued for a bulk shipment which is then to be split into multiple bills covering smaller parcels.

When can switch bills be issued?

The issuance of a second set of bills of lading is an extremely dangerous practice and the perils of having two sets of bills of lading in circulation for the same cargo are obvious. Great care must be exercised by ship agents asked to issue switch bills and

they must follow these rules:

- the second set of bills of lading should only be issued if the complete first set has been surrendered for cancellation either to you or to your principal;
- the principal's authority should be obtained IN WRITING not only to issue switch bills, but also to any changes to be made to the content of the original bills;
- the second set of bills should not contain misrepresentations, e.g. as to the true port of loading, or the condition of the cargo, or the date of loading. If switch bills are issued containing misrepresentations, then the carrier and his agent (if the agent has issued the switch bills) will be at risk of claims from parties who have suffered a loss because of such misrepresentations.

This last point was raised on numerous occasions. If you change the port of loading from where the cargo was actually loaded to a transshipment port or to a port where the switch bill of lading was issued, you will be part of a fraud on the receiver.

A warning to agents

In practice "switch" bills are sometimes issued in addition to, and not against cancellation of, the first set. The reasons for this practice are varied; the first set may be held up in the country of shipment, or the ship may arrive at the discharge port in advance of the first set of bills. Another reason is, however, when the party trading the goods wants to improve his cash flow by receiving payment from the final receiver on the second set of bills before he pays the shipper on the first set. In the past trading companies have obtained two sets of bills for the same cargo, negotiated both sets for cash, and then declared bankruptcy or disappeared, causing substantial losses to shippers, endorsees and banks, who then pursue the contractual carrier for reimbursement.

If a ship agent is instructed by a principal (or receives a request from a customer) to issue a second set of bills without collecting the first set, he needs to be aware of the dangers. This dangerous practice has in the past resulted in ship agents facing large claims from the ship owners, or the holders of the first set of bills of lading (e.g. the shipper, a bank or a party to whom the bills have been negotiated) with nothing to rely on but a worthless indemnity. A long established or multinational ship agent may make a more worthwhile target for the bill of lading holder than a charterer with no assets or a ship owner who has sold the ship in question.

How should agents protect themselves if asked to issue a second set of bills without retrieving and cancelling the first set?

- the agent must consider what he is being asked to do and the possible consequences to himself. Is the principal authorising the issuance of the second set substantial, reputable and reliable? Even if an indemnity is provided by the principal, the indemnity is only worth as much as the party giving it;
- the agent must NEVER issue a second set at the request of a customer - any such request must always be referred to the principal; if the first set of bills are negotiable they MUST be

surrendered before the second set is issued;

- the agent must always obtain the principal's authority IN WRITING, and a letter of indemnity signed by the principal (and counter-signed by a bank if deemed necessary by the agent) indemnifying the agent for all consequences of issuing the second set of bills;
- the agent must also consider whether it is necessary to obtain written authority from any other party who might be adversely affected by his action (e.g. the ship owner or the shipper, an endorsee or a bank). If an agent is instructed by a charterer principal to issue a second set of bills on behalf of the master, he must also obtain the master or ship owner's written authority. The ship owner would otherwise have a valid claim against the agent for losses resulting from the issuance of the second set on the basis that the agent had done this without his authority;
- if the principal has instructed the agent to obtain a letter of indemnity from the party receiving the second set of bills, the agent should obtain from the principal a written instruction on the exact wording and security (e.g. counter-signature by a bank or not).

the agent should keep the indemnity in a safe place and make reasonable efforts to retrieve the first set of bills. If the first set have not been produced within, say, one month, the agent should notify his principal and ask for instructions;

- GET ADVICE - any request to issue a second set of bills without first collecting the first set should be referred to either a lawyer or to a specialised insurer of ship agents like ITIC.

The deliberate issuance of a second set of bills of lading without surrender of the first set may be regarded by an insurer as a deliberate commercial risk, and as such the consequences would be uninsured.

Stuart Munro
CEO
International Transport Intermediaries
Management Co Ltd as
Managers of ITIC Ltd.



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INTERVIEW WITH

JAGATH PATHIRANE

by Rochelle Palipane Gunaratne

Renowned for his innate ability to face adversity with resilience and perform under pressure is the current Chairman of the Sri Lanka Freight Forwarders Association, Jagath Pathirane. With over 23 years of experience in the logistics fraternity, his expertise is limitless. Listening to his life story conjures a figure who was revered in history for his same staunch attitude during crisis; Great Britain's larger-than-life Prime Minister, Winston Churchill who stood before a somber crowd and delivered six power – packed words which resonated the undaunted spirit of the speaker ...especially considering the bleak situation which loomed ahead in the form of World War II. : "Never, never, never, never give up !"

JP too is a force to contend with in the industry, with his clout and charisma and that Midas touch which inevitably turns all he touches into gold (in this case profit).

BRIDGE: Does the rapid infrastructure development coincide with improvement in all other areas pertaining to freight forwarding?

"Yes, there is a growth in infrastructure and it is taking place at a staggering pace but that does not necessarily mean progress. We talk about cryptocurrencies and block chains without altering our mind set which still functions on archaic methods. We have certain online facilities, yet they have to be supported by tons of documentation with middlemen running the gauntlet trying to obtain approvals from various government bodies. This kills the efficiency of the system. The industry is rife with bureaucratic red tape which can be minimized by implementing the forward –thinking procedures. We need to create a process which exemplifies ease-of-doing-business.

It is a case of talking in one language and thinking in another as we fail to align with the rest of the world, instead we try to customize it to suit our mentality.

For instance, we have the ability to upload documents electronically through the computerized customs management system known as ASYCUDA World, yet hard copies are further required and we the freight forwarders are heavily penalized if there are errors. The reason is the lack of proper guidelines and our stakeholders not willing to understand, appreciate and adapt on consultation.

We refer to benchmarks such as Singapore and UAE, countries which offer easy, time-tested best practices for industry development but achieving that parameter is akin to a mirage.

New ports and new airports per se



cannot attract business and generate funds if there is no proper marketing and ease-of-doing-business being developed," remarked he.

BRIDGE: In your opinion where is the core of this problem?

It is a lack of trust and confidence in people and the system. It is also the Draconian laws which are being meticulously upheld and a lack of vision on part of those who hold office in some of these organizations which affect our over- all progress.

Another factor is the low Logistics performance index (LPI) despite the implementation of the online payment gateway, single window facilitation, ASYCUDA customs system, new Port and airport etc., and that is primarily due to the facilitation of services being limited to the main cities and no ease of access island-wide viz. no multi-model transport system being utilized to its fullest potential. Despite the existing infrastructure, rail connectivity is not optimized and can be done with minor adjustments, yet though high capital intensive.

Spurred on by the demand for comfort and class in the railway, we initiated the luxury rail concept by introducing Expo Rail a few years ago and it was a resounding success until uncertainty fuelled by increase in licensing and operating costs prompted us to cease operations. Public Private Partnerships can see to rapid growth as the demand exists. It is time the authorities look at Rail in that context.

This will inevitably grow the potential for other industries such as freight and logistics but resistance to change is inevitable, and in our country, it could result in unwarranted fatalities.

BRIDGE: What is the solution to this pressing problem?

The inconsistency in policy making has marred the smooth and progressive operations of the industry to a great extent. However, we see hope in the National Export Strategy where all stakeholder involvement was rampant to see to the consistency that is far pledged.

We were enjoying a profit tax of 12% but

the new gazette notification increased it to 28% and this had to be addressed by us with the Ministry of Finance who were willing to listen to our plea and reduce it by 14% which was a positive measure taken to ensure ease in doing business.

Likewise, "What we require is a competent authority who can literally 'call the shots' in addressing all systems which are considered an integral part of freight forwarding without being driven to seek solutions from multiple ministries. One authority has to take the onus to move ahead of our times in order to attract investors and be on par with global benchmarks.

"Change in thinking and implementing is vital for not merely the growth but the sustainability of the industry," stated Jagath.

BRIDGE: IS it achievable?

It is achievable, provided there is a political will! I recall the [party politics apart!] 'ápi wenuwen ápi' campaign which propelled the country to hold fast till the war was won and that was achieved through an excellent communication line and cohesiveness. Similarly, if the politicians wish to achieve certain goals in any industry it should be conveyed to everyone in their ministries which will inevitably ensure success. Penetration downstream is far from satisfactory!

Illustrating his point, Jagath spoke of an experience at the Barcelona Government Hospital in Spain, "My wife and I were immediately welcomed and directed through signs and colour coded arrows and signages to the relevant doctor without a fuss and the language was not a barrier. These are basic changes needed to make our investors, business community and others feel welcome at our institutions, which at present send the individual from pillar to post literally," claimed he.

BRIDGE: How does a country like Singapore, with limited resources and space flourish in shipping and freight?

By leveraging on the existing facilities and following a lenient procedure! An expert I met at the National Export Strategy meeting once said, "In Sri Lanka you are talking about hectares

while we refer to square centimeters as we are not blessed with space in our country, but we thrive on knowledge. Address the inefficiency and waste and it will result in productivity and growth. Use existing Infrastructure wisely and efficiently ...to achieve success!"

BRIDGE: As the Chairman of SLFFA, what are some of the ground- breaking measures taken to counter this issue?

At the Sri Lanka Freight Forwarders Association, we have introduced a research and development unit which comprises of a group of young freight forwarders from member companies to be part of a study on how to meet the current trends. It requires the comprehensive study of selected processes such as imports, operational flows, payment procedures, customs, A-Z documentation and mapping it against the other more developed countries in the region in order to determine where our problem lies and identify the bottlenecks. This will enable us to determine where we currently stand and to create more effective methods to ensure a free-flowing process in the near future through a public private interaction. We have embarked on a very professional approach and have opted to work with a renowned university in this pursuit.

Expolanka – Stalwarts in Freight Forwarding

As the Director/Chief Executive Officer of Expolanka Freight (Pvt) Ltd (EFL) and Chief Administration Officer of Expolanka Holdings PLC, Jagath is famous for possessing a knack for converting fledgling operations or companies with his enthusiasm and exemplary leadership style. He is also a man of integrity with a sterling reputation.

Expolanka has grown exponentially and made its presence felt in the world due to its far-thinking, out-of-the-proverbial –box concepts which are globally recognized and acclaimed.

The parent company of Expolanka commenced operations in 1978 as a fresh vegetable exporter and due to the liberalization in industries in Sri Lanka, it expanded in 1982 to freight forwarding, which is an integral part of the country's supply chain in order

to support its core business. Due to various opportunities afforded, there were exporters especially in the apparel sector who wanted to position themselves in other countries and the company catered to their needs and grew stealthily.

A few years ago the company went public with the initial public offering attracting many investors but 51% of the company shares were sold to SG Holdings, which is an investment company based in Singapore with the parent company located in Japan. The intention of the entrepreneurial business which is led by dynamic business moguls is to span the length and breadth of the globe. "We are present in 18 countries and run over 60 offices with 80% of the income being achieved from the apparel industry with the last quarter being considered the best in terms of performance. The company has diversified into transport and warehouse operations, travel and leisure, manufacturing and strategic investments. When Jagath joined in 2005, the local arm had 150-160 employees and it has grown to over 1000. In the warehouse operations they owned 20,000 square feet and now controls 600,000 square feet while expanding its fleet of trucks as EFL manages and operates 1,750 trucks in the island. Considering the growth, the investors increased their share to 67%.

"We are pioneers of the hub operations prior to the implementation of the hub act and earned a reputation as an integrated logistics provider through a number of value-added services such as the 'Quality Assurance' centers which are positioned at the freight stations before the cargo is loaded.

We also identified the demand for garment of hangers (GOH), in addition we provide a cost-effective service for exporters in case a vessel cut off time cannot be met by sending the cargo to a transit point via air. It is a combination of air and ocean freight which benefits the customer. In recent times, EFL introduced a new software which integrates all trucking companies.

EFL has won many awards and accolades which lay claim to its fame and it is ranked 26th in world rankings as an air freight forwarder and was also placed 34th among the top 50 Ocean freight forwarders in the world in 2018.

In Retrospect

An alumnus of St. Thomas' College Mount Lavinia, Jagath is the eldest in the family, hailing from the gem capital of Ratnapura. "My father was determined to see me qualify as a Doctor and I too was keen to fulfill his dreams for my life, but destiny had other plans for me," revealed the eloquent CEO who reflected on his journey into the corporate sphere.

His foray into the corporate culture began at FINCO as a Management Trainee, with a strong determination to become a Director in 10 years. Thereafter, I joined DAEWOO Corporation as a Sales Executive. Subsequently, I joined C & A Consultants, a member of C & H Group of Companies and began a trading division, acquiring government run entities such as Ceylon Shipping Lines, Pelawatte Sugar Corporation and more. It was here that I achieved my dream of becoming a Director at the age of 29, within a period of 9 years and three months! In pursuit of a fresh challenge, I joined Asha Agencies as a General Manager, to the indignation of many as it meant a step down in designation but rose to a high-position due to taking on the challenge with gusto. With a thorough knowledge and exposure to multiple corporate functions and entities, I was finally ready to accept a position at Expolanka and joined the company in 2005 and rose to the zenith in my career on 2nd January 2006 when I was appointed the CEO of the leading freight forwarding company.

Sharing his Expertise

Jagath shares his expertise on many lecture panels including the Moratuwa University and Kotalawala Defense Academy. He has also represented the company and the country in various local and international forums and panel discussions, including representations made to the EU Parliament, EU investment forums, UN ESCAP, Sri Lanka Shippers Council and serves on board many advisory councils including the National Advisory Council among others. With an avid zeal for progress, he shares his expertise in the industry and the region stating, "I am able to hone my skills as knowledge dissemination requires one

to consistently be updated about the industry."

His innate leadership, skills and foresight has been invaluable to the industry through various associations such as the SLFFA of which he is currently the Chairman, having been the ex co member, Treasurer and Vice Chairman. He is also the former Secretary for the Association of Container Transporters, Association of Container Terminals and Depot Operators.

Values of Life

Jagath is a figure to contend with, taking on the mantle of spearheading numerous ventures with undiminished spirit. Freight needed Jagath more than medicine, "I enjoy a challenge and believe that we have to add value to what we do and make an organization or anything we do our personal quest to ensure its prosperity for posterity."

"One sets milestones for the personal and collective achievements and benefits. When you struggle and cannot accomplish them you tend to get obviously frustrated! This inevitably leads to feelings of negativity. So when you look at all this which I myself have gone through you can be sure the making and breaking is up to your own self and not in the hands of others. I have thus come to realize that opportunities are created for a reason and when you get that opportunity you must create that destiny and stay ahead and achieve them. I am extremely grateful to my superior and Founder of Expolanka Freight (EFL), Hanif Yusoof who constantly gives me opportunities every now and then to keep me motivated and guided.

Some of the characteristics of this great gentleman such as being content with life and ability to remain calm under pressure, while analyzing the situation and excelling in crisis management have gained him prominence in the corporate culture while ensuring success in his career and life in general. As well, his rapport building capabilities and ability to sympathize and empathize with people have been an added advantage. A visionary et al, Jagath salutes his alma mater for inculcating a love for people, "College taught me invaluable lessons of humility and the worth of each human being in which we are able to sit with the queen at a dinner and share a meal with a beggar as we are all equal in God's sight."



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WINNING THE WHEEL OF MISFORTUNE

CASA CONDUCTS SEMINAR ON “PROFESSIONAL INDEMNITY COVER FOR SHIPPING AGENTS AND SERVICE PROVIDERS TO THE TRANSPORT INDUSTRY”

CASA the voice of the shipping industry organized a seminar on “Professional Indemnity Cover for Shipping Agents and Service Providers to the Transport Industry” on 01st November 2018 at the auditorium of the Ceylon Chamber of Commerce. The program outlined details of a comprehensive professional indemnity insurance, including cover for losses caused by negligence, fraud, breach of intellectual property rights and other related risks. The event was attended by over 100 participants.

The seminar was conducted by Stuart Munro, CEO of International Transport Intermediaries Club (ITIC) which is the leading professional indemnity insurer

of companies providing services in the marine, aviation and rail sectors. Prior to his current role as Chief Executive Officer, he was the Managing Director, Underwriting Director, General Manager and Marketing Manager of ITIC. Stuart Munro has particular expertise in relation to ship management contracts as he was part of the BIMCO Shipman revision committee which finalized the Shipman 2009 contract. Apart from his management responsibilities, Stuart is also the area executive for India, Sri Lanka, Hong Kong, Japan and Monaco. He has also spoken at many loss prevention seminars, ship management conferences as well as to ICS branches worldwide.



Jurisdictions agents are not liable for the liabilities of their principals

Speaking at the event Mr. Munro highlighted the main areas which are covered by ITIC which includes negligence, liabilities of the principal, debt, fraud of employees, claims by an authority and email fraud. He called this the 'Wheel of Misfortune' and shared many case studies from all around the world. He stated that the agents are responsible to comply with instructions, act with reasonable skill & care and act in good faith whereas the Principal also has the responsibility to indemnify the agent.

He also stated that in most jurisdictions agents are not liable for the liabilities of their principals but in some countries they are jointly and severally liable with their principal for matters which in most jurisdictions only involve the principal. Liability for cargo claims was sighted as an example. He said that the agent should always make it clear to vendors that he is an agent or otherwise he could find himself in the position of having contracted himself and liable for non-payment by the Principal.

Documentary errors, failure to follow instructions and failure to know port regulations are few causes of negligence that Mr. Munro highlighted in his presentation. He spent more time in shedding light on email fraud which is a growing form of crime. He gave the following tips to the participants on how to avoid being a victim of such fraud.

- Don't trust location of suggested new bank account – EVER
- Request for unusual intercompany transfers – check first by PHONE
- New bank account of charterer/supplier – always check by PHONE
- If you ask for clarification by email, the response will come from the CROOK
- If you do email, use email address you used previously – don't "reply to all"
- Bank accounts never close during an audit – that is a LIE
- The reason why violent crime is down is because more are getting mugged over the internet – don't let it be YOU



The event concluded with a panel discussion which was attended by the Speaker, Mr. Stuart Munro; President of Sri Lanka Insurance Brokers Association, Mr. Pritha Fernando; Chairman of CASA, Mr. Ruwan Waidyaratne and Vice Chairman CASA, Mr. Iqram Cuttilan. The Seminar

was organized by the Education and Training committee headed by Mrs. Anoma Ranasinghe under the advice and directions of Mr. Walter Rodrigo, Director, McLarens Holdings and the Chairman and Executive Committee of CASA.

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YoungShip organizes visit to the Port of Hambantota



YoungShip Sri Lanka, held its inaugural event for the next generation of the maritime industry with a visit to the Hambantota Port on the 24th of November 2018.

At the port of Hambantota, the YoungShip members were welcomed by Laugfs Group Chairman, Mr. W.K.H.Wegapitiya along with Mr Tissa Wickramasinghe from the Hambantota International Port Group (HIPG) and Mr. Ravi Jayawickrama from the Hambantota International Port Services (HIPS). This was followed by an insightful presentation by Mr. Wegapitiya with regard to the recently completed Laugfs terminal and the future potential for Sri Lanka in the export of gas resources. Mr Wegapitiya's presentation was followed by a presentation by Mr. Nishantha Gamage on behalf of HIPG, where he briefed the participants on the progress made by HIPG after the takeover and also about the future plans to convert Hambantota into a vibrant port and city. Afterwards the participants were given the opportunity to observe a bird's eye view of the entire port and its facilities from the 12th floor of the administration building.

Afterwards the YoungShip participants were given the rare opportunity to enter the high security zone of the Port of Hambantota. Initially the participants were shown the piers which are used to dock the car carriers and bulk vessels which were completed under phase 1 and 2. Participants were then taken to the newly opened laugfs terminal which is the largest of its kind in the region, followed by a detailed description of the tanks, pump system, fire prevention system and also a look into the automated control room of the facility.

YoungShip Sri Lanka is a part of YoungShip International which was formed to be the voice for young people in the maritime industry. YoungShip is involved in two awards, one that promotes young entrepreneurs and the other is awarded to those companies that clearly promote young professionals. Headquartered in Norway, YoungShip is present in 18 countries with a membership of over 3000. The Norway branch has a 350-strong membership and we are pleased to announce that the Sri Lankan branch is the newest addition to this global network with a strong membership of 250 members. YoungShip Sri Lanka functions under the aegis of the Ceylon Association of Shipping Agents (CASA).



Trends
That Will Drive the
SHIPPING
INDUSTRY
in 2019

By : SHM Shipcare

The shipping industry has seen rapid development over the course of the past few years. With the tremendous growth in technology, it has been crucial to incorporate those changes in the industry as soon as possible. 2018 has been one of the most important years for the shipping industry.

There have been numerous significant initiatives in the industry including the development of the cargo handling capacity at major ports, reduction of the average turnaround time of ships, amongst others. On the global scale, shipping has had an interesting year. With the election of the new American president and other changes like the Brexit, the global shipping industry has seen several new mergers and initiatives that will be implemented in 2019.

Here is a look at the various trends that are expected to affect the shipping industry in 2019.

1. Blockchain technology

Blockchain technology enables users to keep a list or a record of transactions, in a chronological order. This tech was originally created as a supporting system to organize digital currency and its transactions. The blockchain technology allows digital information to be distributed but not copied, by several users on a platform. It can be said to be a form of the virtual ledger that records virtually everything that has value if it is programmed to do so.

The technology also has potential uses in the shipping industry. Blockchain can be used to improve global trade and digitize the supply chain by keeping a transparent ledger where multiple companies can see the records of transactions and thus work towards improving them.

Blockchain technology is expected to replace the previously-used system of the shipping industry of bills and transactional documents. It will instead act as a secure online mechanism for the trade of goods. Since the technology is decentralized, it also makes it more efficient and completely transparent.

2. Elastic logistics

The term refers to the ability of a given logistics chain to expand or shrink, thus aligning with the demands of the customers. Elastic logistics help in effectively meeting market fluctuations and also provides a customized solution to requirements like warehouse management, priority deliveries, cost control, and geographic restrictions. Elastic logistics minimizes the fluctuation caused by the supply and demand interplay.

It ensures that the deliveries are carried out efficiently and well within the given time frame. Elastic logistics will help in enhancing customer experience, providing agility to operations and speeding up the routine, connecting all business processes transparently and will ensure real-time visibility.



3. Cyber and Electronic Warfare

Cyber warfare includes operations that aim to disrupt computer networks, exploiting or defending military information systems or computer systems. Electronic warfare deals with manipulating electromagnetic waves through directed energy, to either deceive or protect systems.

The increasing threats to cybersecurity in ships can result in out-and-out cyber and electronic warfare, which will especially influencing shipping and transport.

4. Consolidation Will Continue

Consolidation has been a continuing trend since the last couple of years. Over the years, consolidation has led to mergers and acquisitions, creating a stronger relationship between shipping companies. This technique ensures that the most efficient and competent companies stay in business, flushing out the incompetent and smaller ones. In times of difficult market conditions and the global recession, consolidations will be helpful.

Consolidations can result in reduced costs, enhanced efficiency and improved services. These trends must be regularly monitored, as consolidation results in reduced competition and market power abuse.

Creating new alliances and mergers in the face of a financial crisis can help minimise the damage. Alliances allow companies to operate with reduced costs through asset sharing. Alliances also implement protective measures to protect the shipping industry. A string partnership among two shipping companies will help strengthen their operations and will enable them to provide more efficient and extensive services to their customers.

5. Smart Ships

With the rapid development in technology in all sectors, the demand for more efficient equipment in the shipping industry has risen. The concept of smart ships includes making ships autonomous so as to maximise competency and ensure smooth functioning of tasks.

These unmanned vessels, also known as smart ships, will soon be completely autonomous. Commercial use of such vessels will maximise profits for the shipping industry. This technology has peaked the interests of numerous investors worldwide, owing to its potential applications and benefits.

Since there will be no use of manpower aboard such vessels, the ventilation systems, crew accommodations and other elements meant for the ship's crew can be eliminated. This will make the ship faster and lighter and will minimise the energy and fuel that is consumed.





6. Advanced Materials

Metals have predominantly been used to build ships and their structures since a long time. Due to the rapid advancement in technology, the use of alternative advanced materials is replacing the traditional metals. Materials like polycarbon and fibres and other carbon fibre composites are in demand due to the progress in nanotechnology. Replacing metal hulls of ships with ones made with fibre reinforced composites. These parts made using alternative materials are lighter than their metal counterparts and are also much more durable and cost-efficient. Since the alternative advanced materials are considerably lightweight, they increase the speed of the vessel thus reducing its overall fuel consumption.

7. Energy Management

Reducing the energy consumption by a vessel has become the topmost priority for shipping companies globally due to the rise in carbon emissions. The most convenient way of reducing unreasonable fuel consumption by ships is to decrease the speed of the ships so as to reduce fuel consumptions and also reduce the carbon emissions by ships.

It is imperative that the shipping companies establish a broader corporate management policy, reduced fuel consumption and enhanced ship efficiency. The shipping crew must also take care of a few things for energy management aboard a vessel. These steps include speed optimization, efficient cargo operation and hull monitoring, and maintenance.

8. Marine Biotechnology

Marine biotechnology deals with the study of marine plants and animals. Continuous traffic of ships in the ocean since numerous years has resulted in adverse effects on marine life. Shipping companies have been making a conscious effort to reduce making a negative impact on life under the sea. Reducing fuel emissions and waste from all the ship is an important step in protecting the marine life.

This environment-conscious perspective is set to drive the shipping industry over the next years as well.

Endnote

Development in technology in the shipping industry has given rise to numerous opportunities for its technical applications. Shipping is set to advance into a new chapter of technological superiority in the upcoming years and 2019 will be the year that the global shipping industry starts progressing towards newer milestones.

As the environmental regulations of the IMO draw nearer, boat manufacturers and shipbuilders alike are taking innovative approaches to reduce the carbon footprint of ships.



Quiz for

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Please send your answers along with the Question number and your contact number.

Q1:

A cargo of timber has been loaded in Malaysia and shipped to India via Singapore. You are the agent for the ocean carrier at Singapore. You are approached by the consignee (Consignee A) of the bill of lading issued in Malaysia, who surrenders to you the full set of original bills of lading issued in Malaysia. Consignee A asks you to issue three split or switch bills at Singapore which divides the timber into three parcels, show Consignee A as the shipper, three separate Indian consignees, and change the port of loading to Singapore. What should you do?

Q2:

The shipper of a cargo has requested that the bill of lading show on its face a full cargo description, which includes the sale value, for his Letter of Credit purposes. What should the agent do?

Q3:

You are the agent for the time charterer of a ship and have been instructed by your principals to issue "freight prepaid" bills of lading to the shipper. Before you can do so, you receive a notification from the head owners of the ship informing you that you are not authorised to issue bills of lading because the charter hire has not been received by them. The owners notify you that they will hold you responsible for the freight in the event that you issue the bs/l contrary to their instructions. The bills of lading are charterparty bills and will be issued on behalf of the Master and owners. Should you follow the instructions of A) the time charterer or B) the owner.

Q4:

Twenty containers are to be shipped from the USA to Norway. Fourteen containers are loaded on the ship on 31st March, and the last container is loaded on 1st April. The shipper's Letter of Credit expires on 31st March and he needs a bill of lading with a "shipped on board" date of 31st March. What "shipped on board" date should be entered on the bill of lading?

Q5:

If the shipper on the bill of lading informs you that the original set of bills has been lost due to a flood in their offices and asks for another set. What should you do?



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SAGT ACHIEVES HISTORIC MILESTONE OF 2 MILLION TEUS IN 2018

