



CEYLON SHIPPING CORPORATION LTD (CSC)



Proposed New Projects & The Way Forward



INTRODUCTION TO BUSINESS PROJECTS

- Project No. 01- To set up Warehouse/s for Clearance of UPB operation and LCL / MCC Cargo Operation
- Project No.02- Operating a Container Feeder Service between Sri Lanka & Bangladesh
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1. To set up Warehouse/s for Clearance of Unaccompanied Personal Baggage (UPB operation) and Less than Container Load and Multi Country Consolidation (LCL/MCC) Cargo Operation



- In terms of the Budget speech – 2017, provision of 207 and 213, Ceylon Shipping Corporation (CSC) intends to build up a State-of-the-Art Warehouse and Logistic City, in close proximity to the Port of Colombo, with a centralized office comprising of related Authorities to fulfill the requirement of the Industry whilst contributing towards the Governments " Single Window" Concept.
- The Proposed "Logistic City will be equipped with State of the Art Infrastructure and Technology to overcome the prevailing impediments. It is expected to operate on Public Private Partnership (PPP) basis with the contribution from the stake holders of the industry.
- A suitable land for this warehouse operation has been identified with a total extent of 3 acres at Stadium Gama, Inguru Kade Junction. CSC expects to acquire the land , select the best financial model and commence operations with the State-of Art facility.
- Expression of Interest (EOI) was invited from the interested parties and two parties were eligible through the EOI process. Request for Proposal (RFP) will be called and the construction of the warehouse will be started upon selection of the Joint Venture (JV) partner through RFP Evaluation.

2. Operating a Container Feeder Service between Sri Lanka & Bangladesh



- CSC intends to recommence the feeder operation between Sri Lanka and Bangladesh which was operated by CSC during 80's & 90's.
- A MOU was signed between the Bangladesh Shipping Corporation and Ceylon Shipping Corporation during the state visit of His Excellency the President to Bangladesh to harness joint business opportunities. There is a proposal from Bangladesh Shipping Corporation, to operate a joint Container Feeder Service between two countries by the two entities.
- A delegation from Bangladesh visited Sri Lanka recently and discussed all commercial & operational commencing this feeder service between Colombo and Chittagong.

3. Resumption of Passenger cum Cargo Ferry between Colombo and Tuticorin



- An Expression of Interests will be called from the parties who wish join with CSC to recommence the Ferry for the Passengers as well as for the cargo soon.

4. To promote Sri Lankan Flag Registry under Flag of Convenience (FOC)/Flag of Opportunity (FOO)



- In terms of the Budget speech 2017, clause 206 it has been emphasized to promote Sri Lanka Flag Registry and Ancillary services to increase shipping tonnage registered under Sri Lankan Flag.
- With the consent of the Director General of Merchant Shipping, CSC intends to promote the Sri Lanka Flag as a Flag of Opportunity for Worldwide Ship Owners, with the view to increase the earnings for the country.
- CSC wishes to act as the exclusive marketing arm with a suitable partner to be selected on competitive basis on PPP Model for marketing of the Flag around the world.
- A MOU was signed between CSC and DGMS recently appointing CSC as the Marketing Arm to promote Sri Lankan Flag Registry to get the competitive advantage over the major ship registries.
- CSC expects to establish a Joint Venture partnership on PPP basis through EOI in the near future.

5. Operation of Floating Bunker Storage through JV.



- The action is being taken to obtain the Bunkering License for CSC. It would be expected to set up a joint venture with relevant foreign parties for the operation and management of offshore floating storage for marine fuels in Sri Lanka once the bunker license is issued to CSC.
- With this operation, the bunker suppliers in the industry would benefit from a lower breakeven marine fuel cost per ton with healthy competition among them. Therefore the lower cost will translate into lower bunker prices offered in Sri Lanka comparatively with Singapore market.
- Bunkering License will be issued to CSC and CSC expects to invite Expression of Interest (EOI) / Request for Proposal (RFP) from the interested parties to joint hand with CSC for this lucrative business.

6. Ship Chandelling Service



- CSC intends to recommence Ship Chandelling service for supplying of provisions, disposables, perishable items, maintenance parts and equipment needed on board.

7. Agency Service for Sea Marshalls



- Most of the vessels regularly sailing in the International Shipping route in close proximity to OPL, Galle, bordering the southern coast of Sri Lanka are in need of Agency Services.
- There are approximately 7 to 8 agencies registered as Agents of Private Maritime Security Companies (PMSC) under Ministry of Defense (MOD) to fulfill their requirement.
- CSC being a government entity expects to engage in providing the security needs of the international maritime fleet as an intermediate body in collaboration with the MOD.