

Converting Sri Lanka into a Commercial Hub in Asia An assessment of postwar progress with insights to the way forward - A Case Study

Stephen Muller¹, Lalith Edirisinghe²

¹Centre for Customs and Excise Studies, University of Canberra, Australia
CINEC Maritime Campus, City Branch, Colombo, Sri Lanka

¹Stephen.muller@canberra.edu.au, ²edirisinghe@cinec.edu,

Abstract— The Government of Sri Lanka (GoSL) has embarked on a development agenda based on the Mahinda Chintanaya with the objective of converting the country to a Naval, Aviation, Commercial, Energy and Knowledge hub in Asia. In keeping with this objective, in the recent years, the GoSL has invested heavily in developing the required infrastructure and the improvement of information and communication technology. Available information illustrate that Sri Lanka has made steady progress in the three areas.

Indices that are used to compare performance of countries show that Sri Lanka has shows steady performance in the Global Competitiveness Index (GCI) with a GCI of 68 out of 144 and a score of 4.2 out of 7 in 2012-2013. Sri Lanka has posted positive indicators in doing business across borders. In 2007, Sri Lanka was ranked 99 out of 185 countries and by 2013 the country has improved in its rank to 56. In the Logistics Performance Index (LPI) published by the World Bank in 2010, Sri Lanka was ranked a dismal 137 out 155 countries. By 2012 the rank has improved to 81. Also the United Nations Development Program (UNDP) has identified Sri Lanka as an early achiever on 10 of the 21 indicators of the Millennium Development Goals.

However, it is apparent that this progress can be further accelerated through reforms in the regulations & legal framework concerning the three areas, systems and procedures and the improvement of infrastructure, ICT functionalities and HR competencies.

This case study is a result of a desk research carried out into literature relating to the subject matter available in the public domain.

Keywords— Logistics, Commercial hub, International trade

I. INTRODUCTION

The Government of Sri Lanka (GoSL) has embarked on a development agenda based on the Mahinda Chintanaya with the objective of converting the country to a Naval, Aviation, Commercial, Energy and Knowledge hub in Asia. In keeping with this objective, in the recent years, the GoSL has invested heavily in developing the required infrastructure and the improvement of Information and Communication Technology (ICT). This paper attempts to assess the progress made during the four years of post war in the areas of naval, aviation and commerce through an analysis of Sri Lanka performance in trading across borders. The case study attempts to derive qualitative assessment regarding the return on investment which, in return provides insights for the way forward. The three areas of naval, aviation and commerce directly relate to international trade and the study examines internationally published reports that contain