

ABSTRACT

With various port development projects undertaken by India targeting to handle its own regional transshipment volumes, in the worst case scenario of a fall in Indian transshipment volumes at the Port of Colombo, Sri Lanka would lose its revenue from transshipment handling to India's one or many transshipment ports. Presently, the Port of Colombo is on the verge of reaching its maximum capacity which leads to port congestion resulting vessels being delayed. This research is aimed to identify the feasibility of developing the port of Trincomalee into a transshipment port which could attract the transshipment volumes from neighbouring Indian ports.

In view of the close proximity to ports in the east coast of India, once Trincomalee is developed as a port equipped with container handling facilities, East coast Indian cargo would be diverted to Trincomalee. The anticipated future trend in the shipping industry would be vessels with much bigger capacity and size. Major players in the liner industry have invested on modern fleet of vessels with large capacities which are bigger in sizes. The SLPA being the landlord for all the commercial ports in the country can compromise a shift in the service provision for Indian transshipments handled at Colombo to Trincomalee. Trincomalee would bring additional revenue from container handling thereby enabling the SLPA to focus on increasing the quality of its service and improve efficiency at the Port of Colombo. When the Port of Trincomalee is developed it will lead to subsequent development of effective and efficient network of roads and railways connecting Trincomalee to major port cities like Colombo and Hambantota. This would enable the multimodal transportation of containers to the ports at Colombo or Hambantota.

Keywords: Transshipment ports, Hub-Ports, Port of Colombo, Port of Trincomalee

