Sri Lanka is positioned in the centre of the Indian Ocean at the crossroads of international trade, making it ideally located to become a key regional logistics hub. To realise this vision, Sri Lanka needs to put in place the right processes and legal framework for multi-country consolidation (MCC).

**WHAT WE ARE DOING**

We are working with the government and the private sector to establish an MCC model in Sri Lanka. Our project involves:

- reviewing existing laws and regulations and proposing a model MCC legal framework
- mapping the time and documentation requirements to move cargo from and to an MCC facility with a view to targeting efficiencies
- undertaking a baseline assessment of port tariffs and the fee structure for MCC operations
- organising information sharing events for the public and private sectors
- supporting the design and roll-out of an MCC Authorized Operator Program
- developing an in-transit bond regime that secures the movement of goods between the port and the MCC warehouse
- identifying the financial and operational requirements for the development of MCC infrastructure

**BENEFITS**

An MCC hub in Sri Lanka will:

- improve the competitiveness of Sri Lanka’s exports by providing an access point to global supply chains at lower prices and increased frequency of shipping
- lower transit costs of trading small quantities of goods
- increase trade flows through Sri Lanka
- create opportunities for value-added services in Sri Lanka, such as packaging, labeling, quality control, repairs and basic additional processing, driving economic growth and creating local jobs
- attract foreign direct investment in MCC infrastructure

**TRADE FACILITATION IN SRI LANKA**

The MCC hub will facilitate transit trade in line with the principle set out in Article 11 of the World Trade Organization’s Trade Facilitation Agreement (TFA) to extend freedom in transit. Under Article 11.5 of the TFA, WTO member countries are expected where practicable to provide physically separate infrastructure for traffic in transit. A MCC warehouse and associated infrastructure will significantly advance the implementation of Article 11.5. Any improvement in the existing in-transit bond/guarantee system for MCC cargo would also support the substantive implementation of Articles 11.11, 11.12 and 11.13 of the TFA.
MONITORING AND EVALUATION
We are monitoring and evaluating the project throughout its duration. Key indicators of success will include:
- reduced number of documents required to pass MCC cargo through customs
- reduced time it takes to move cargo between the port and existing MCC facilities
- number of infrastructure improvement projects that the Sri Lanka Ports Authority and private sector investors commit to undertake
- number of private sector companies accredited through the newly established MCC Authorized Operator Program

TIMELINE
The project will be implemented in three phases over 30 months.

HOW CAN THE PRIVATE SECTOR GET INVOLVED?
Successful trade facilitation is only possible when the private sector plays an active part. After all, it is businesses who know best where the barriers to trade lie. We are looking for business to get involved in a wide range of activities including:
- advising best practices in MCC operation and legal and regulatory reforms
- developing the MCC Authorized Operator Program
- developing an in-transit bond regime
- assessing the port tariff / fee structure
- Infrastructure planning

WHAT IS MULTI-COUNTRY CONSOLIDATION?
Multi-Country Consolidation (MCC) is a cost-effective solution that optimises cargo flow by consolidating shipments of multiple shippers from multiple origins at an intermediate point to build Full Container Loads (FCL). MCC offers traders flexibility, lower transit costs and more efficient service.

WHO WE ARE
The Global Alliance for Trade Facilitation is a public-private partnership for trade-led growth. We believe that international trade should be simpler, faster and more cost-effective, creating new business opportunities, enabling greater economic and social development and reducing poverty. Working with governments and businesses from the ground up, Alliance projects identify and deliver common sense trade reforms in developing and least developed countries. Our work is designed to help governments implement the World Trade Organization’s Trade Facilitation Agreement.

To get involved or for more information, please contact us at info@tradefacilitation.org  
www.tradefacilitation.org