

# COLOMBO: The Port of Asia

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A port has been defined as a protected place where ships can land and ride at anchor as well as a place where ships can load, unload and harbour. It is normally recognised and supervised for maritime purposes by public or private authorities. The term also includes a city or a township for the reception of mariners, traders or tourists and therefore, denotes something more than a harbour. In a general sense the term harbour means an area of water with the works necessary for its formation, protection and maintenance, such as breakwaters, jetties etc. A port on the other hand is made up of harbour plus the freight and passenger structures such as docks, wharves, quays etc. with their cargo handling apparatus. The main difference between a 'port' and a 'harbour' hence is that a port may possess a harbour but a 'harbour' is not necessarily a 'port'.<sup>1</sup> Any natural creek or islet on the seashore with adequate depth of water and sufficient shelter for ships, fulfils the essential conditions of a 'harbour'. To make it a 'port' in the accepted sense of the word there must be, in addition accommodation and facilities for landing passengers and goods and an appreciable quantum of overseas trade. The English word 'port' is said to have been derived from the Latin word 'port-us' meaning haven, harbour. Later the word became reinforced by the French word 'port', Spanish word 'puerto', Portuguese word 'porto' all meaning 'port'.

Apart from holding the life line of a country's economic, commercial and social life by functioning as inlets to and outlets from hinterlands for the transfer of domestic and foreign sea-borne trade, ports have also served as international centres for the amalgamation and cross fertilisation of human races belonging to different cultures and civilizations. As ports were 'external openings' or 'windows'

of maritime nations to the outside world, they were indeed vulnerable to external aggression and naval battles and in order to gain supremacy and trading rights, many fierce battles were fought. Thus ports were silent witnesses to consequent changes in the political authority of colonial powers. The history of major seaports of maritime countries, therefore, would speak for the political history of the respective countries, the gradual transfer of power from one colonial power to another, fusion of different cultures and civilizations of human races from far and near, the commercial exploitation of the region and its resources. Finally, the installation of respective national governments and their administration.

## The Development of Colombo as a Modern Port

The history of Colombo goes back to about the year 800 A.D. First started as a Moorish settlement it later developed into one of the greatest emporia of trade in the East. Yet it was not until the second half of the 19th century that Colombo assumed the status of the premier port of the island. Before the construction of the South West breakwater (1875- 1883) it was an open and dangerous roadstead which hardly conformed to the definition of a port briefly discussed at the outset. The transition of Colombo from a roadstead to a modern port, however, was primarily due to an extraneous factor, namely the technological revolution in the maritime sphere that took place in the 19th century.

The industrial revolutions in the western world brought about a vast expansion in international trade. In the maritime sphere that expansion of trade demanded the improvements in speed and carrying capacity of ocean going vessels. In consequence, the age old sailing vessels that depended on

nature were replaced by the fast moving steamers run on coal. Coupled with the adoption of steam propulsion in ocean transportation was the search for sea routes which in the east-west trade meant the opening of the Suez Canal in 1869. Because of the drastic reduction in the steaming time between the east and west the Suez route became so popular among shipping lines and the steamer tonnage passing through the canal rose dramatically from 436,000 in 1870 to 2 million in 1875 leaping forward to 8.4 million in 1895 and 20 million 1913.<sup>2</sup>

This spectacular growth of steamer tonnage was principally due to the increase in the dimensions of ships rather than to an increase in their number. The modern ocean transport system introduced by steamer on the otherhand was characterised by falls in freight charges, increased mobility of passengers and of merchandise trade and improved access to markets. Along with these developments was the emergence of a set hierarchy of modern ports. These ports were not only designed to meet the demands of growing merchandise trade and maritime technology but also to suit the requirements of liner shipping which in essence was high efficiency and quick turn round of vessels. The provision of port, facilities to meet such requirements of shipping, however, involved the expenditure of colossal amounts of capital. Hence, as a sound investment policy, in many countries of the east, this meant the concentration of investments on one or a few numbers of ports. The end of the 19th century thus witnessed the rise in the Indian Ocean Region of a hierarchy of great ports such as Aden, Karachi, Bombay, Madras, Calcutta, Rangoon, Singapore and Colombo in place of the numerous small ports in the past.

These ports varied in size and importance according to the functions that each port performed in the network of trade routes in the Indian

(1) Encyclopaedia Britannica.

(2) Source: Suez-Canal, A.T. Wilson.

Ocean. Bombay and Calcutta on either side of the Indian sub-continent, which had inherited vast hinterlands, primarily served the overseas trade of that country. Whereas Singapore, with no hinterland of its own but situated in a strategic position in the Straits Settlements, developed mainly as an entrepot in the entire South East Asian region. Quite different indeed was the 19th century Sri Lanka on the allocation of functions among its ports.

Before the opening of the Suez Canal, Sri Lanka, had some sixteen outports serving the coastwise trade and three main ports in the service of international shipping and each performing different functions. Trincomalee was one of the grandest natural harbours in the world though, it was off the main sea lanes and besides had no communication links with the hinterland. Therefore, it served as the naval headquarters from the 17th century to the opening years of this century. For Sri Lanka too the most important ports, therefore, were

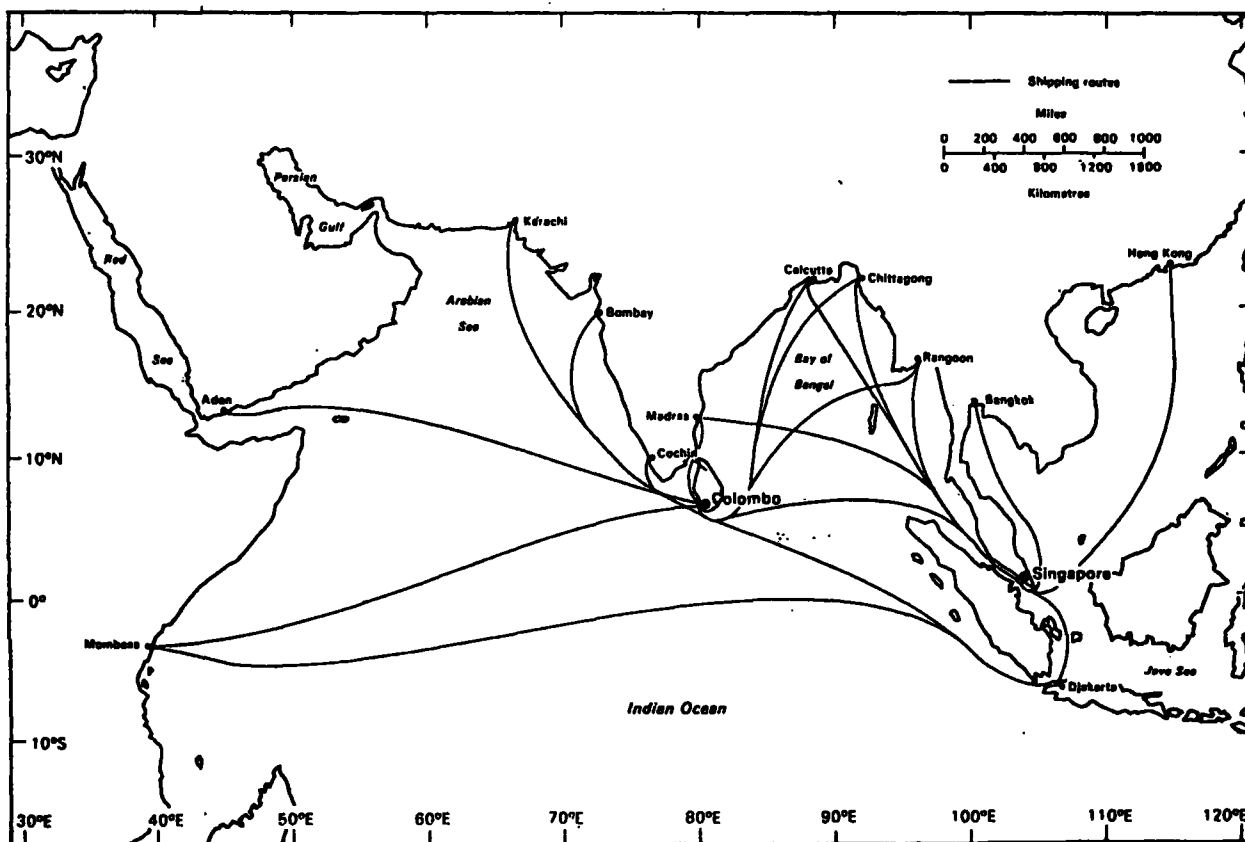
Galle and Colombo in the western coast.

Situated on the southern tip of the island, Galle also lacked communication links with the hinterland to become a gateway to its seaborne trade. But until the last quarter of the 19th century, Galle was the greatest centre of shipping in Sri Lanka and this was largely attributed to its locational advantage vis-a-vis the sailing routes and later the steamer routes of the Indian Ocean.

For centuries, Galle, consequently served as an important port of call in the Indian Ocean as well as of a transshipment centre for those regional ports outside the main sea lanes of South Asia. By 1870 Galle Harbour, for instance, handled 50 percent of the shipping calling on the shores of Sri Lanka; whereas Colombo which handled almost the whole of Sri Lanka's overseas trade accounted for less than 45 percent of that shipping. The divergence in the distribution of shipping among the two ports was to a

great extent due to the fact that in the 19th century the main attraction of Sri Lanka for international shipping was more as a centre for shipping services (Coaling, supply of water, ship repairs etc.) and for transshipments than for loading or discharging of cargo. To exploit that potential of a port of call and of a transshipment centre to the fullest extent Sri Lanka had to modernise her ports, in view of the ever increasing dimensions of steamers engaged in international trade. What was more the geographically strategic position of Sri Lanka in the Indian Ocean as depicted in the map fully justified modernisation its ports to attract more of such shipping.

Although Galle provided safe anchorage for sailing vessels of any size it was scarcely so far steamers. Because of the submerged rocks Galle Harbour was considered a trap rather than a place of shelter for steamers with long draft. Similarly, the open roadstead of Colombo too needed improvements to provide deep water berths. To have to



modernise two ports on the same coast within some seventy miles from each other, however, meant a wild waste of funds of a plantation economy depending at that time on a single crop, coffee. What appeared to be the most plausible course was to concentrate investments on a single port and the obvious choice was Colombo which served Sri Lanka's commercial interest best. But there was optimism that once Colombo was developed the ships visiting Galle for services and transhipping would start calling on her. That expectation was fulfilled as by 1881, i.e. two years before the completion of Colombo's South West breakwater, the steamers of the P & Q (Peninsula and Oriental) company, the principal user of Galle harbour abandoned her in favour of Colombo. By the end of the eighties more than 80 percent of shipping calling on Sri Lanka called on Colombo while Galle's share fell below 15 percent.<sup>3</sup> More importantly, the facilities created by the Port Improvement Programmes implemented between 1875-1911 brought about a remarkable increase in Colombo's trade and shipping which is summarised in table 1. Between 1883/7 and 1908/12 the total value of Sri Lanka's overseas trade increased by 333 percent and the share of that trade handled by Colombo was 96.8 percent. Similarly the tonnage of shipping calling on Sri Lanka during the same period increased by 366 percent and by the latter period Colombo's share of that had risen to 95.3 percent whereas in 1883/7 it was 80.2 percent.<sup>4</sup> The figures are also suggestive of the different ratios at which commodity trade and shipping increased during that period. The upward movement of shipping was unrelated to that of the merchandise trade of the island. This discrepancy is attributable to the use of Colombo, to a large extent, as a port of call and of transhipment in the Indian Ocean. For about a third of the shipping calling at Colombo, as demonstrated in table 2, neither took on or discharged cargo there but called merely for shipping

services and for transhipments. There is also evidence of a similar category of vessels that while bunkering at Colombo, took on board or unloaded some usually small consignments of cargo although the delivery or collection of such cargo was not the main purpose of their visit. The visiting steamers, it seemed were glad to have a little cargo to and from Colombo to cover, at least, some part of their operating costs.<sup>5</sup> Notwithstanding the relative smallness of Sri Lanka's volume of overseas trade, Colombo, in terms of the tonnage of shipping it handled was thus able to rank as the seventh greatest port in the world and the third in the British Empire by 1910, a year before the completion of some 37 years of its Port Development Programme.<sup>6</sup>

It is true that the geographical location of Sri Lanka had an overriding influence on Colombo to attract a large volume of shipping to its shores in the late 19th and the early 20th centuries but it is equally true to say that high level of efficiency and the quality of its services reinforced that flow of traffic. Irrespective of the purpose for which the shipping visited the port their basic requirement was expeditious dispatch, because Colombo was largely patronised by conference liners that kept to a schedule and besides, in shipping economics, a ship earns only when it is in sea. Therefore, the less time a vessel spends at a port, the more it earns. Consequently the conference liners saw no reason to tie up at wharves but demanded to be loaded and unloaded as well as bunkered at their moorings. This was a procedure that allowed them to be dealt with on both sides. The primary requirement hence was space and approximately one square mile of water space enclosed by the three breakers met that requirement. Added to the port efficiency brought about by the easy manoeuvrability of ships and lighters through the provision of extensive space was the presence of a dock labour force that maintained a high level of productivity. Since the

late 19th century there was a continuous stream of immigration of labour to Colombo from the Malabar coast in search of urban employment. Such workers formed a pool of casual labour upon which the stevedores could draw as the need arose. The dock workers, the majority of whom came single, lived in improvised dwellings, tenements and slums in the area around the dockland and returned to their homeland to join their families in a year or two. Unlike their brethren in the plantations, the dock workers, therefore, worked hard to earn as much as possible during their short stay in Colombo. Since dock work at that time was casual it was an added factor to work hard to get continuous employment.<sup>7</sup> Consequently, the level of efficiency reached by Colombo was such that a vessel arriving in port was moored, and the operations of cargo discharge, coal bunkering and other activities were in progress after an hour from the vessel passing the harbour entrance. Coaling was carried out at the rate of 150 tons per hour by 1910 compared with 110 tons at end of the thirties, beginning of the century and cargo despatch was carried out at the rate of 110 tons a hour. During a period when labour intensive methods of cargohandling were a general feature in Asian ports these were commendable achievements in labour productivity which earned for Colombo the reputation of being the leading port in the East for quick despatch of vessels.<sup>8</sup>

#### Inter-War Years

Colombo maintained its reputation as an efficient port even during the interwar period. Hence as is evident from table 3 the trend in the growth

- (3) Compiled from Ceylon Government Blue Book Annuals.
- (4) Ibid.
- (5) Ferguson, A.M & J; Ceylon Handbook and Directory 1887-8, p 145.
- (6) Administration Report of the Principal Collector of Customs, 1910.
- (7) Dharmasena, K. The Port of Colombo 1860-1939, Ministry of Higher Education, 1980, pp 110-113.
- (8) Sessional Paper of XXI of 1911.

THE TRADE AND SHIPPING HANDLED BY COLOMBO

TABLE I

1883 - 1913

Year	Total Value of Trade in Sri Lanka (a) in Rs. 000	Value of trade Colombo (b)	(b) as a % of (a)	Total Shipping Sri Lanka (c) (in 000 tons)	Shipping Colombo (d)	(d) as a % of (c)
1883 -7	74,230	N.A.	-	3,724	3,084	80.2
1888 -92	107,511	N.A.	-	5,178	4,243	81.6
1893 -7	158,792	N.A.	-	6,569	5,611	85.4
1898 -02	207,109	N.A.	-	8,398	7,534	89.6
1903 -07	231,682	N.A.	-	11,850	11,028	93.5
1908 -12	321,466	310,270	96.8	14,635	13,650	94.6
1913	434,504	418,424	96.2	16,125	15,371	95.3

(Source: Ceylon Blue Book Annuals, Sessional Paper X of 1913; Administration Report of the Chairman, Colombo Port Commission).

of merchandise trade and shipping which commenced in the early years of this century continued to rise although slightly checked by the two world wars and the word-wide depression of the early thirties. Nevertheless it was apparent that some branches of the port's trade were in jeopardy. The table indicates that the import of oil which was negligible in the first decade of this century rose spectacularly from the third decade and by 1939/43 it had overtaken the

coal trade which bulked the import trade of Sri Lanka since the late 1890s. This, however, was a direct result of the growing number of diesel engined vessels employed in international trade which created an increasing demand for oil as a bunker fuel at Colombo. But the disturbing feature was that the switch from coal to oil as a bunker fuel was making a significant change in the fortunes of Colombo as a bunkering station. It was becoming obvious that some regional ports were

finding greater opportunities in the new situation than Colombo. Between 1924 and 1932 the oil imports at Aden, for example, had doubled while at Colombo it had remained almost stationary despite an increase by 50 percent in the number of vessels taking on oil, figures that suggested that many of the larger vessels were taking on enough oil at Aden to reach Singapore or vice-versa.<sup>9</sup>

The situation regarding the sale of water to shipping appeared more alarming. One of the attractions of Colombo as a port of call for decades had been the quality and abundance of its water supply. For instance, on the eve of the depression the annual sale of water to shipping reached 120 million tons a year from some 24 million gallons per year at the end of the last century. Nevertheless, by 1930 such sales had dropped by nearly 16 percent while by 1936 it had declined further by some 27 percent. The decreased intake of water by vessels was alleged to have been due to the high cost of water at Colombo compared with that of Bombay and Karachchi. Thus the Port Commissioner had to utter the warning that

(9) Sessional Paper XIII of 1985; Report of the Chairman Colombo Port Commission.

TABLE 2

TONNAGE OF SHIPPING THAT ENTERED AND CLEARED AT THE PORT OF COLOMBO TO LOAD OR UNLOAD CARGO 1883-1912

(Quinquennial Averages)

Year	Tonnage of Shipping at Colombo (a)	Tonnage Shipping entered and cleared to load or unload Cargo (b)	(b) as a % of (a)
	(in 1000 tons )		
1883 - 7	3,064	1,850	63
1888 -92	4,243	2,601	63
1893 - 7	5,611	3,527	58
1898 - 1902	7,534	5,615	71
1903 - 07	11,028	7,173	64
1908 - 12	13,650	9,188	66

(Source: Ceylon Blue Book Annuals).

TABLE 3

The tonnage of shipping entered and cleared, the volume of goods imported and exported and the tonnage of fuel imported at Colombo, 1904 - 1938

Year	Shipping	Imports	Exports	Coal	Liquid Fuel
		(Quinquennial Averages in 100 tons)			
1904 - 8	11,734	576	385	670	06
1909 - 13	14,202	843	467	742	16
1914 - 18	8,652	873	495	436	27
1919 - 23	12,661	888	553	655	87
1924 - 28	19,620	1175	706	673	189
1929 - 33	22,791	1028	693	520	244
1934 - 38	22,874	1068	624	446	382

(Sources: Administration Reports of the Principal Collector of Customs; Administration Reports of the Chairman, Colombo Port Commission).

since there were well equipped regional ports offering services at economic rates Colombo's ascendancy as a port of call would be impaired unless it provided services at competitive rates.<sup>10</sup>

Although the warning was taken seriously by the authorities the thirties were a troubled period to take positive measures in respect of some problems. Besides, the determination of the price of water, for example, rested with the Municipality, and despite the argument of the Port Commission that a reduction in that price would raise the income from its sales, the municipality was not responsive because of its own financial difficulties.<sup>11</sup> The same problem stood in the way of finding solutions to those that were directly under the purview of the Port Commission and it was not until the late thirties that something could be done. In 1937 the Commission submitted a memorandum to the government specifying the need for an inner graving dock, an oil dock, deep water quays and basin. Since all could not be done at once priority was given to an inner graving dock. In the following year the construction of such a dock 350 feet long, 50 feet wide and 20 feet deep at a cost of Rs. 1 million rupees was completed. The dock became capable of handling both harbour and small naval craft and thus made the larger dock constructed in 1906 free for the use of bigger vessels.

The next major problem was the improvement of bunkering facilities. That involved both the provision of adequate facilities for discharge of oil imports as well as of facilities for the bunkering of ships without delay and under safe and easy conditions. In the thirties another requirement that the oil bunkering trade demanded was alongside accommodation which the authorities had failed to realise when steps were taken to provide facilities for that business in the twenties. For, the oil jetty constructed was too small to accommodate the vessels of the thirties whose dimensions had vastly improved.<sup>12</sup> Hence to arrest the diversion of Colombo's bunkering trade to its competitors and to maintain its position as a popular port of call a scheme for the construction of a basin, an oil dock and deep water quays at a cost of Rs. 12 million was approved by the legislature towards the late thirties. But the intervention of the World War II delayed its implementation until the early fifties.

#### Post Independence Period

Despite the need for improvements in facilities which arose towards the tail end of the colonial period a valuable asset was bequeathed to independent Sri Lanka in the form of one of the greatest artificial harbours of the world. Basically what remained to be done thereafter was to transform it from a lighterage to a fully equipped

port with alongside deep water berths and other facilities that were urgently in demand at the end of the thirties. Hence in the development plans of the immediate post independence era port development became a priority area. The major port development programme executed between 1955-58 consequently provided the port among other things with extra breakwater protection, alongside berths (9-11m deep) complete with quayside portal cranes, two coaster berths 7.5 m deep, and oil dock 55,000m of pillarless transit sheds and other ancillary ship repair and servicing facilities.<sup>13</sup> Surprisingly these improvements in port facilities seemed to have had very little effect on the fortunes of Colombo. Rather Colombo's reputation as a leading shipping centre in the East began to wane in the fifties and the sixties. The tonnage of shipping that it handled fell to 8,694,700 in 1965 from 21,869,000 in 1953 registering a drop of nearly 80 percent.<sup>14</sup> To some extent of course as is

(10) Sessional Paper xi of 1901; Administration Report of the Chairman, Colombo Port Commission 1936.

(11) Administration Report of the Chairman, Colombo Municipal Council 1937.

(12) Administration Report of the Chairman Colombo Port Commission 1938.

(13) Ibid.

(14) Ibid.

(15) Administration Reports of the Chairman Colombo Port Commission (1955-1957); Port (Cargo) Corporation.

mirrored in table 4 this decline was due to the import controls imposed in the early sixties on account of Sri Lanka's unfavourable balance of trade. But the most potent cause was alleged to have been the growing unpopularity of Colombo as a port of call as well as of a transshipment centre for which it held away in the Indian Ocean for over half a century. Apart from Sri Lanka's central location in the Indian Ocean sea routes, the efficiency of port services as has been mentioned earlier was the other important factor which helped attract shipping to Colombo. But since the fifties this began to suffer seriously due to problems of labour. Quite interestingly, labour relations at Colombo deteriorated during a time, as the table 5 demonstrates, when the transition from immigrant to Sri Lankan labour was almost complete. The indigenous dock workers, unlike their immigrant brethren of the past, not only formed a strongly unionised labour force but were also being decasualised. Hence they had a permanent stake in dock work and besides had an awareness of their rights. With the post-war deterioration of economic conditions their unions under the leadership of some national political parties thus launched a series of strikes for improvements in wages and for better conditions of work. In the fifties and in the early sixties the labour problem at the Port of Colombo became so acute that a government appointed commission made the following observations about its effect on shipping.

"The inevitable result has been that shipping circles and general trade in all

TABLE 5  
THE DISTRIBUTION OF COLOMBO'S DOCK LABOUR FORCE ACCORDING TO NATIONALITY

Year	Total Labour Force	Sri Lankan	Non Sri Lankan
1948	6477	1979	4498
1949	7578	3831	3747
1950	8404	5050	3354
1951	N.A.	N.A.	N.A.
1952	9666	6433	3233
1953	9883	6772	3111
1954	10077	7311	2766
1955	9954	7405	2549
1956	9806	7596	2210
1957	10335	8224	2111

(Source: 'Colombo Port Commission).

corners of the world can speak only in terms of despair and disgust of the pathetic daily tonnage and output at Colombo.<sup>17</sup>

The immediate victim of the worsening labour situation was the bunkering trade. Unlike the coal business of the preceding era the new generation of diesel engined vessels were able to by pass intermediate ports without the need to refuel unless efficient services were offered at competitive rates. The regional ports with comparatively better labour relations and with improved port efficiency, hence, became the beneficiaries of the unsettled conditions at Colombo.<sup>18</sup> The worse sufferer, however was the transshipment trade which plummeted to an average of 4,070 tons a year in the period 1958/1962 from 49,400 tons per year during the 1948/52 period.<sup>19</sup>

The most distressing factor yet was its effect on the economy of the

country as a whole since Sri Lanka still continued to depend almost entirely on the labour dominated Port of Colombo for the flow of its overseas trade. Moreover in the absence of a national carrier Sri Lanka was solely dependant on foreign liners for the carriage of its overseas trade. Because of the chaotic labour situation at Colombo, the conference liners, more often than not, imposed discriminatory freight charges, on Sri Lankan exports which faced strong competition in the world market. Besides, the liners also took the further step of levying heavy surcharge on Colombo. The conference surcharges from the United Kingdom and the continent, for example, which amounted to a levy of 15 percent in November 1955, was raised to 50% in March 1964.<sup>20</sup> Other than reducing the competitiveness of our exports in the world market such conference tactics also had the opposite effect of escalating the prices of our basic imports to the detriment of the well being of the people.

TABLE 4  
MERCHANDISE TRADE OF COLOMBO 1950-1964  
(Quinquennial Averages in 000 tons)

1950 - 54	2,818
1955 - 59	3,025
1960 - 64	2,609

(Sources: Colombo Port Commission; Port(Cargo) Corporation).

(16) Administration Reports of the Chairman Colombo Port Commission; Port (Cargo) Corporation.

(17) Report on Cargo Handling in the Port of Colombo, 1959,p.2.

(18) Ibid.

(19) Administration Reports of the Chairman Colombo Port Commission; Port (Cargo) Corporation of Ceylon.

(20) ESCAP Report on Ports of Ceylon, 1966 p.2.

Thus, the industrial strife that existed at Colombo in the fifties and the sixties was too serious a problem to be ignored. As a first step towards the resolution of that problem the port was nationalised and the Port (Cargo) Corporation was set up in 1958. But partly because of the presence in the corporation of a large number of insufficiently trained officers, lacking in practical knowledge of port administration, and partly because of the lack of proper industrial relations, the labour situation at the port hardly changed for the better. The shipping companies complained, that the nationalisation of the Port brought no improvements in port efficiency and that the daily output was hardly comparable with other regional ports.<sup>21</sup>

The root cause of that situation was the need for a different approach in labour management to deal with a new generation of dock workers who differed considerably from the immigrant Indian workers of the past. This was realised after a few years of experience. Consequently, since the early sixties the port authorities looked into the welfare component of the port workers, resulting in introduction of a series of welfare measures. Port workers were brought under the category of monthly paid workers thus bestowing on them the numerous benefits enjoyed by their counterparts in the government service. Labour relations at the Port showed much improvement in the seventies, when the number of man hours lost due to strikes, go slows etc. averaged at 22,578 hours a month compared with 40,686 hours a month in the previous decade. The early eighties were so devoid of industrial unrest that the port record observed complete silence about labour disputes. (Colombo Port Commission, Sri Lanka Ports Authority) From the mid sixties there had thus been a progressive improvement in the turn round of ships as well as of their daily output. The average output per ship per day had risen from 133 tons in 1964 to 25 tons in 1967 and to

360 tons by 1974. The average stay time per ship in the harbour, on the other hand, had declined from 10.0 days in 1964 to 8.97 days in 1967 and still further to 4.4 days by 1973.<sup>22</sup>

The remarkable gains made in port efficiency, unfortunately, were not as illustrated in table 5 commensurate with similar gains in the volume of shipping and the merchandise trade of the Port. The poor performance in the spheres of shipping and trade was due to Sri Lanka's rigorously imposed import restrictive policy and to the recession in world trade following the oil crisis. Nevertheless, the greatly improved port efficiency was not altogether unrewarded. The transshipment trade which sank very low by the mid sixties registered, as is shown in table 7, an impressive growth in the seventies both in absolutely as well as in percentage terms.

Table 6  
Shipping and Dry Cargo Tonnage, Colombo 1965-1979  
(in '000 tons)

Year	Shipping	Dry Cargo
1965-69	16,560	2,809
1970-74	12,721	2,509
1975-79	14,690	2,636

Source: Port (Cargo) Corporation.

The transshipment tonnage which registered a 75 percent growth rate in the period 1965/69 to 1970/74 increased to nearly 228 percent between 1970/4 and 19/5/79. The figures also suggest that the seventies marked a revival of a branch of trade in which Colombo dominated in South Asia.

Table 7.

Transshipments, Colombo 1965-1979

Year	Quinquennial averages in '000 tons
1965-69	4,557
1970-74	7,141
1975-79	23,117

Sources: Port (Cargo) Corporation; Sri Lanka Ports Authority

## The Port of South Asia

### 1979-1980

The late seventies opened a new era for the Port of Colombo in which it witnessed not only a progressive increase in its shipping and the trade but also a radical transformation of its administrative structure and the physical layout. The decades of trade stagnation came to an abrupt end after 1977. The new government that came into power in that year abandoned the inward looking economic policy in favour of trade liberalisation. To encourage foreign investments with the primary aim of increasing employment prospects a Free Trade Zone was set up. Massive development projects were launched the most important being the Accelerated Mahaweli and the Urban Development Schemes. These developments in the economy happily coincided with an improvement in the import capacity of the country on account of Sri Lanka's exports fetching better prices in the world market, perhaps since the time of the Korean boom of the early fifties.

Compared with the earlier years these factors consequently led to a growth in the tonnage of shipping and the cargoes handled by Colombo in a manner set out in table 8. In the great revival of Colombo's trade and shipping in the post 1979 period the most striking achievement seemed to be in the realm of transshipment trade as exemplified in table 9. By 1980 transshipment tonnage at Colombo had surpassed the annual average for the period 1949/52, which was the highest annual average between 1949 and 1979 and although a set back was suffered in the following year the trade nevertheless made a dramatic recovery in 1982. For between 1980 and 1982 the Port witnessed a more than threefold increase in the transshipment tonnage. More dramatic however was its growth. After 1982, as

(21) Report on Cargo Handling in the Port of Colombo 1959, p.3.

(22) Port (Cargo) Corporation.

by 1985 transshipment tonnage had registered a 300 percent increase over the former year.

gestion free port in the region. On the other hand the container revolution enhanced the geographically strategic

too slow to react to the new technology in ocean transportation.

It is true that conservatism and conference agreements long in force about the type of vessels to be employed, were at first sight, responsible for such an attitude. But it is equally true that capital was also an impediment for some countries to revert speedily from conventional to container vessels. Being a new entrant to shipping business Sri Lanka on the other hand, was not shackled by such factors and hence was able to follow a more forward policy than others in the path to containerisation. Established in 1969 as a joint venture, the CSC, became a fully state owned enterprise. In the following year. It was first created to act as a broker to charter vessels for the Food Commissioner's Department but later ventured into shipping services direct. During the first ten years of its existence, the CSC, built up a modest fleet of conventional break-bulk vessels to trade mainly with Europe and with the Far East. A turning point, however, came in 1980 when in collaboration with the NOL (Neptune Orient Line) of Singapore, the CSC started a full container service from Colombo to Felixtowe, Hamburg, Rotterdam and Bombay, utilising for the purpose two 560 TEU\* vessels chartered from the NOL. This was followed by a second service linking Singapore and Colombo with Rea Sea ports which too was a joint service with PIL (Pacific International Line) of Singapore. Here also the two Shipping lines chartered a 372 TEU fully cellular geared vessel from West Germany.

Two years later the CSC made another progressive step towards the objective of containerising Colombo's trade in deploying its first four new buildings commissioned for its own operations. The two gearless container vessels of 3,000 dwt/175 TEU capa-

\* Twenty foot equivalent units which means that a 40ft. is counted as two.

Table 8.

The Tonnage of Shipping & Cargo Handled By Colombo 1979-1985 (in '000 tons)

Year	Shipping	Cargo
1979	16,098	4,982
1980	17,954	5,711
1981	17,039	5,186
1982	17,966	5,831
1983	18,810	6,090
1984	19,421	6,638
1985	20,806	7,338

Source: Port Statistics, Sri Lanka Series VI-SLPA 1986

Table 9.

Transshipment Tonnage: Colombo 1979-1985

Year	Tons
1979	14,475
1980	61,481
1981	49,811
1982	193,622
1983	362,720
1984	595,670
1985	772,018

The basic factors behind this colossal growth in transshipment tonnage are to be found, first, in the container revolution and secondly the progressive steps taken by Sri Lanka, in comparison with regional ports, to meet its demands.

Fundamentally, containerisation was a concept developed for drastic reductions in shipping operating costs by western shipping enterprise intolerant of congestion in ports. In the late seventies when the container traffic in the Indian Ocean was increasing by leaps and bounds, many of its ports had gained notoriety for congestion. Bombay, the premier port of India, for example, had been paying annually about Rs 40 million as demurrage charges for berthing delays.<sup>23</sup>

Through better labour relations, as referred to earlier, Colombo on the contrary, had reputedly become a con-

position of Sri Lanka whereby it further strengthened Colombo's claim for a great shipping centre in the Indian Ocean. The Indian ports of Bombay, Cochin, Madras, Calcutta and the Bangladesh port of Chittagong are easily accessible from Colombo. So are the Gulf ports, Karachchi and those of East Africa and the Straits of Malacca. The central situation along with its relative efficiency hence led many lines that went into containerisation to choose Colombo as a base port to operate feeder services to many of the regional ports about which reference was made. Initially, however, it was the non-conference liners that pioneered the containerising of the routes as well as the operating of feeder services to and from Colombo. The lead was given by the American President Lines (APL) in 1973, to be followed in the early eighties by other lines, the most important being the (The Continental Britain Asia Container Services (COBRAO) and Sri Lanka's national carrier, the Ceylon Shipping Corporation (CSC). It is to the credit of the CSC that, unlike national carriers of some countries, in the region it made a significant contribution in Sri Lanka's efforts towards promoting containerisation of the Port and the routes serving it. Many countries of the region with established shipping lines were

(23) Containerisation International, 1980, p. 53.

city (Lanka Seedeivi and Lankasiri) built in South Korea started operating on CSC's own service from Singapore and Colombo to Dubai, Damman and Kuwait providing a 15 day sailing frequency. The other two fully cellular vessels (Lanka Srimani and Lanka Srimathie) each with 410 TEU capacity built in the same country began their operations on CSC's new service, Sri Lanka/Far East container service.

This service provides 15 day sailings between Colombo, Singapore, Yokohama, Nagoya, Kobe, Keelung and Hong Kong. In addition, there is also a feeder link service operated by the CSC's fully owned Ceylon Shipping Lines which maintains a regular schedule between Colombo, Madras and Calcutta. This feeder service ties with the CSC vessels to the Far East, Europe and Red Sea and the Persian Gulf. Besides, the link also provides a common carrier feeder service and hauls transshipment boxes for such lines as the APL and the Gold Star. The year 1983 saw another significant development in the national carrier's efforts to expand its container service when two more vessels, the 3000 dwt/101 TEU multipurpose vessel Lanka Muditha and a similar vessel of 10,000 dwt/254 TEU, Lanka Mahapola both built in Japan were added to its fleet. The most noteworthy development yet was the purchase in 1984 of an Argentine built 10,500 dwt/550 TEU vessel.

The efforts of the CSC to containerise a wide network of routes in a short span of time was to a great extent, helped by the policies of the state controlled Central Freight Bureau (CFB) set up in 1973. Section 14 of the Freight Bureau Law that lists the objectives of the Bureau, which in the process of promoting the interests of the CSC also helps Colombo's drive towards containerisation. Amongst other things its main purposes are: to provide for a central freight booking office for the allocation of freight space to any ocean going vessel; to ensure economic loads to vessels calling at the ports of Sri Lanka; to rationalise the frequency of

calls and the availability of vessels to foster the development of the national merchant fleet; and to negotiate with the shipowners and shipping lines on matters such as freight rates, surcharges, adequacy and frequency of services. Although all these powers only concerned outward bound cargo from Sri Lanka they were nevertheless adequate to advance the cause of containerisation and help the CSC to build up its fleet. In a situation in which the conference liners as a result of agreements made in the sixties were prevented from containerising the routes linking Colombo and other regional ports, the CSC by investing on cellular vessels and the CFB through greater allocation of cargo to its vessels helped the cause of containerisation.

Besides, the Bureau also gave preferential treatment in cargo allocation to nonconference liners which pioneered the containerisation to the East West trade. Through this device the CFB, moreover, was able to counter the negative role of the conferences in the containerisation of routes and also prepared Colombo to face the container explosion predicted for the eighties.

The majority of third world countries are exporters of primary products and the conference liners and shippers were generally indifferent to containerise such cargoes. In the case of tea, for example, the reasons for their reluctance to containerise have been attributed to:

(a) The distribution infrastructure of the tea producing countries does not permit door to door containerisation and national railways are not equipped for the purpose.

(b) Tea producing countries do not have sufficient foreign exchange reserves to invest in container hardware.

(c) There is a plentiful supply of cheap dock labour available in tea producing countries for conventional cargo handling. Containerisation would merely increase already high unemployment rates.

(d) Large scale containerisation of tea shipping would result in considerably higher freight rates.<sup>24</sup>

However, Sri Lanka which accounts for nearly 30 percent of the world demand, stands unique among tea producing countries by reacting favourably to containerising, at least in some aspects of the industry. First introduced by the APL it soon proved that the box could reduce the amount of damage and radically improve the transit time. Sri Lanka's Tea Traders Association representing all companies connected with growing, broking and export of tea hence began to assess the possibilities of containerising the trade. As a result of this Association's endeavour Sri Lanka's tea export trade saw a gradual transition to containerisation after 1972, and by the early 1980's about 60 percent to 70 percent of our tea exports began to go out in containers.<sup>25</sup>

If not for the preference of certain routes—Middle East to remain break bulk—there is a possibility of further improving the containerisation of this trade. The same reason makes about 65 percent of cinnamon and 40 percent of rubber exports go into uncontainerised areas.

The high cost of handling, it has been alleged, was a major disincentive for containerisation of many regional ports. In 1984, container handling charges in Bombay for instance, have been raised by 30 percent over the previous level.<sup>26</sup> To entice more transshipment trade as well as to encourage the flow of container traffic in general, Colombo on the other hand, introduced concessionary tariffs after 1980 which had made its handling charges comparatively lower than the rates prevailing in the regional ports. This was supplemented by other measures to win transshipment trade. A 28 day rent free dwelling time is allowed for transshipment cargo if re-shipped within that period, effective security

(24) Containerisation International April 1978, p 43.

(25) Ibid March 1983 pp4/-

(26) Ibid February 1984 p 65.

arrangements and easy customs documentation. In addition transhippers are also given priority berthing and provided with equipment on a round the clock basis to ensure expeditious dispatch.<sup>27</sup>

The Sri Lanka Customs too had its share in enhancing the movement of container traffic to Colombo by doing away with some of the rigid practices which in the past had inhibited the smooth flow of traffic. Earlier containers, for instance, were considered as dutiable items of import. Any container removed out of customs thus had to be inspected first and a deposit to be retained with a guarantee that the remover would return it in the same condition to the Customs area for re-export. This cumbersome practice is given up and has thereby minimised the time wasted on a lengthy procedure.<sup>28</sup>

It is a fact that containerisation brought with it an insatiable appetite for land in and around ports, the satisfaction of which became a fundamental decongestion measure for port authorities. In the normally congested ports of developing countries the problem was felt more acutely than elsewhere as space had to be found for marshaling yards and for freight stations in proximity to ports. The problem in fact became so serious with the rush of container traffic that some countries in the region took steps to construct new-Nhava Sheva project in Bombay — or satellite ports specifically for the purpose of handling container vessels. The pragmatic way in which Colombo solved this problem from the inception, however, was by the novel method of allowing private organisations to establish Inland Container Freight Stations (ICFS) or Inland Container Depots (ICDS) outside the port area. Moreover, with the concurrence of the customs, FCL (Full Container Load) containers were permitted to move out for destuffing and stuffing. Another measure taken to relieve congestion was to make all empty containers to move out of the port premises without congesting the

area by imposing penal storage rates beyond a certain number of days. The first Container Depot set up outside port area under this facility was by McLaren Ltd. in 1980, and the idea rapidly gained acceptance by other

private agencies. By 1984 there were 12 Container Freight Stations established and as shown in table 10 they were sited within a convenient distance of 2 to 16 km from the Port.

(27) Ibid December 1981 p 51.

TABLE 10 CONTAINER FREIGHT STATIONS AND INLAND CONTAINER DEPOTS

Name of CFS/ICD	Address	Distance from Port	Land Area
1) ABC Containers	1&2, Avisawela Road, Wellampitiya	4	8000 M <sup>2</sup>
2) ACE Containers	174, Sri Wickrema Mawatha, Mattakuliya	2	30500 M <sup>2</sup>
3) Asha Agencies Container Freight Services and Depot	87, Nungamagoda Road, Kelaniya.	8	20300 M <sup>2</sup>
4) Bartleet Container Freight Station	100, Negombo Road, Wattala.	6.4	4050 M <sup>2</sup>
5) Cargo Boat Despatch Company	97, Negombo Road, Wattala.	6.4	3050 M <sup>2</sup>
6) Ceyhans Ltd.	104, Nawala Road, Colombo 05.	6.4	8100 M <sup>2</sup>
7) Container Services Ltd.	Pathiwila, Gonawela, Kelaniya	16	13100 M <sup>2</sup>
8) Ceylon Shipping Lines Ltd.	8/2, Awissawella Rd., Orugodawatte	8	40500 M <sup>2</sup>
9) East-West Containers Ltd.	346, Dutugemunu Mawatha, Kandy Road, Peliyagoda.	7.2	40500 M <sup>2</sup>
10) InterOcean Container Depot	480, Hendala Road,	9.6	12159 M <sup>2</sup>
11) Maritime Agencies CFS	54, Centre Road, Mattakuliya	3.2	600 M <sup>2</sup>
12) McLaren's Container Depot	776, Negombo Road, Welisara	13.5	20300 M <sup>2</sup>

(Source: SLPA).

From the early sixties government appointed commissions had repeatedly recommended the establishment of a unified administration for the port. A major cause which impeded the smooth functioning and developing of the physical layout and modernisation of the Port's facilities, the Commissions revealed, was the existence of three organisations in charge of its activities. The Port (Cargo) Corporation, the Colombo Port Commission and the Port Tally and Protective Services Corporation had no co-ordination and hence what was urged was to amalgamate the three bodies into one Authority. Such a move, it was presumed, would help to stream line and co-ordinate the activities of the Port. However, it was not until the late seventies when the container explosion appeared making improved port administration vital, that effective steps were taken in that direction. The Sri Lanka Ports Authority (SLPA) was established on August 01, 1979 and the Act defines its principal objectives as: provision of efficient and regular services for stevedoring, shipping and transshipping, landing and ware housing, wharfage, the supply of water, fuel and electricity to vessels, for handling petroleum products and lubricating oil to and from vessels and between bunkers and depots for pilotage and mooring vessels for diving and under water ship repairs and any other services incidental thereto".

The other objectives of the SLPA are:

- (a) Provision of efficient and regular tally and protective services.
- (b) Regulation and control of navigation within the limits of and approaches to the port.
- (c) Maintenance of port installations and promotion of the use, improvement and development of the specified ports and such other duties as defined.

In the early eighties when Colombo began to feel the trust of container traffic, the newly created SLPA with such wide powers was thus able to take positive measures to deal with the situation. The task of the Authority

became all the more easier since it received the blessings of a government that was firmly committed to improve the transport infra structure of the country and make the new economic strategy a success. Consequently the SLPA was able to undertake a massive Port Development Plan, that was basically geared to meet the urgent demands of the container revolution. In scale it is perhaps second only to the massive port development project carried out between 1875 to 1911 to meet the then challenge of maritime technology, the steamer.

Sri Lanka is one of the few countries of Asia to foresee the possibilities of a container revolution as far back as the sixties, when plans were being made to prepare for it. According to the Port of Colombo Handbook for 1968, the construction of a container Berth was undertaken in the year 1964 but the execution of the work was so slow that by 1977 only 450 of the proposed 1000 quay length had been constructed. Faster progress was made thereafter and by April 1980 the remainder of the 1000 quay length was completed. At the back of the quay was made available a newly reclaimed 10 acres. The slow progress made before 1977, however was due to the curtailment of development projects which followed the financial crisis of the late sixties that persisted into a greater part of the seventies. The result was that port development was given low priority. Nevertheless it is commendable that investigations, design, planning and execution of the project was carried out by a very limited cadre of local engineers and supporting staff in the port, without any foreign exchange, consultants or contractors. It was because of the employment of local expertise and resources that the project was completed at a cost of about Rs.30 million; with the completion of this berth although the Port was ready to receive the first generation of container vessels it was ill equipped to handle containers. The Port (Cargo) Corporation having no specialised equipment to

handle containers, the APL, which started the first service in 1973, for example, used its own. Towards the end of 1977 another new line, Austrian Limited appeared with their fully containerised ro/ro strider class vessels introducing a service between Iran and Australia and this line too used its own equipment. Moreover, both lines retained their equipments within the port premises. But as traffic increased the lack of handling apparatus appeared to be the greatest impediment for the quick dispatch of vessels. To remedy this the SLPA in 1983, therefore, invested US\$ 5.5 million of its own funds on two LIEBHERR Gantry Cranes and hired a Tango 80 pending the installation of the two gantries.<sup>21</sup>

The unexpectedly high rate at which container traffic was growing at Colombo from the late seventies made it imperative that the Port should prepare itself to handle a larger volume of traffic in the not too distant future. For example the Japanese International Co-operation Agency (JICA) which made a study in 1980 made a forecast of 185,000 TEU's for Colombo by 1988. What followed from the JICA study was a Master Plan drawn up in 1981. In order to meet the immediate demands of container traffic what was known as an 'urgent plan' forming Part I of the Master Plan was prepared. This envisaged the construction of a modern Container Terminal with a new quay 300 metres long with a water

(28) Welmillage, Rohitha, Containerisation in Sri Lanka, an unpublished dissertation submitted for the Diploma in Shipping and Port Administration, Department of Maritime Studies, University of Wales Institute of Science and Technology, 1985 pp 41-42.

(29) Gunaratne, M.H., A concept of Countervailing Power in Maritime Affairs-Central Freight Bureau of Sri Lanka, Colombo 1978, pp 24-30.

(30) Cinnakoon, C.D; 'Ports and Port Development' in Progress Volume 1 March 1981, Ministry of Plan Implementation, p 33.

(31) Port of Colombo Handbook 1985, corporate Plan 1981-85.

depth of 12 metres complete with adequate back up area, Gantry Cranes, 4 Transfer Cranes and auxiliary equipment and a Container Freight Station. The construction work, by Penta Ocean-Wakachiku Joint Venture of Japan, commenced in May 1983. The foreign component of the project amounting to US \$ 32 million has been loaned by the Japanese Government while the local components of US \$ 16 million was borne by the Ports Authority. The scheduled date of completion was August 1985.<sup>32</sup>

Although the JICA made a forecast of 185,000 TEUs for the year 1988 this target was achieved in 1984 largely because of transshipment cargoes which rose by nearly 46 percent in that year. Apart from its very high growth rate the transshipment trade also became a major revenue earner of Colombo. Hence, it justified the construction of a fully equipped second container berth of 300m which was to be a southward extension of the first berth. Known as Stage II of the Port Development Plan the construction of this berth was started in 1984 by the same firm which undertook the Stage 1 and the expected date of completion is December 1986.

The first container vessels that were in operation were those converted from conventional and for greater economy they were gradually being replaced by cellular ships. They carried no handling gear but were dependent on quayside gantry cranes. By about 1983 the container ships having passed the first, second and third had entered the fourth generation. Faced with high cost shipping operations some western countries in 1983 started building very large container vessels capable of carrying over 4000 TEU's compared with the third generation one's with a 3000 TEU capacity. From the point of view of ports the fourth generation vessels are destined to change the destinies of some of them. Designed to make round the world voyages, these giant sized vessels will call at fewer ports. Cargoes will be transhipped

out from a selected few 'base ports' which will be fed by the neighbouring ports. Hence in order to make Colombo an important 'base port' in the Indian Ocean for the fourth generation container vessels, the SLPA, took the realistic step to upgrade the two normal full-size cranes ordered for Stage 1 for extra height to handle the fourth generation vessels. A decision was also taken to deepen the harbour basin to 13 m which is one metre deeper than the Stage 1 requirement. With the completion of stage 11 of the Development Plan which is the construction of the second Container Berth, the capacity is expected to rise to 200,000 TEUs by the end of 1986.

The progressive policies of Sri Lanka to meet the demands of containerisation in a matter of few years has been amply rewarded. Colombo is not only being placed among the world league of container ports but according to the Lloyds Shipping Economics of October 1984 it had elevated itself to the leading port in South Asia. Through improved port efficiency and by keeping pace with the developments in maritime technology, says the Lloyds Economist, Colombo is able to pull out traffic from the weaker regional ports, particularly those from the Indian sub-continent. To quote the same source:

*"Criticism has also been directed towards the increasing amount of container traffic which is moved by feeder services as opposed to direct calls to and from Indian ports via transshipment centres elsewhere in Southern Asia, notably Singapore and Colombo. The rapid development and progressive attitudes of the Sri Lankan Port, in particular, have done a great deal to pull traffic away from the East, and to a lesser extent West Coast Indian Ports. Colombo still handled some 200,000 TEU in 1984, 50 percent of which will be transshipment containers. Plans in progress will see four gantry cranes in operation by August 1986 as part of the development facilities capable of handling the largest fourth generation containerships, including*

*U.S.Lines' 2400 TEU new buildings. Colombo's expansion presents a threatening challenge to India's ports but they themselves are to a large extent guilty of pushing larger capacity container ships away from direct calling and, indeed, of restricting the development plans of India's three largest liner companies-Shipping Corporation of India, Scindia Steam Navigation and India Steamship."*<sup>33</sup>

The pull of traffic to Colombo from the regional ports was so strong the number of TEUs it handled in the seventies, which started as only a trickle turned into a flood by the end of that decade. The number of TEUs handled by Colombo which averaged at 200 a month in the early seventies, for example, rose to 1400 a month by 1979. The more significant trend, however was that, as demonstrated in table 11 Colombo in terms of the TEUs it handled had overtaken Bombay, the premier port of India. In the four years from 1979 to 1982 while container throughput of Colombo grew by about 483 percent growth at Bombay was by some 239 percent. Paradoxically, Colombo experienced that very high growth rate in container throughput at a time when the world was hit by recession which brought negative growth rates to some major ports of the world. In 1982 Marseilles and Le Harve, for example, experienced growth rates of 0.1 percent and 12.4 percent respectively whereas Colombo that year registered a 74 percent growth rate in the TEUs handled and was second only to Southampton which enjoyed a growth rate of 104.6 percent.<sup>34</sup>

The remarkable lead that Colombo heralded in the region was, undoubtedly, due to its growing popularity as a model Indian Ocean port capable of efficiently handling containerised transshipment cargo. The summaries in table 12 besides exemplifying a drama-

(32) Port of Colombo Handbook 1985.

(33) Lloyds Shipping Economist October 1984, p8.

(34) Containerisation International July 1983.

tic growth in transshipment cargo also point to the fact that the tonnage of such cargo in containers witnessed a very rapid rate of growth. For, while the container throughput as indicated earlier rose by 506 percent from 1979 to 1982, the proportion of that cargo moved in containers rose at a rate as high as 2400 percent.

The transshipment trade is not the sole beneficiary of Sri Lanka's forward policies to promote containerisation of the Port and routes linking it. The general cargo movements too made steady progress in the path to containerisation. Table 13 bears testimony to the fact as from 1980 onwards the dry cargo trade had been making remarkably good progress, in the proportion of it moving in containers. In 1979 while 94.2 percent of its dry cargo moved in the conventional way the proportion of such cargo containerised was as low as 5.8 percent. But in five years in 1984 the gap between the two forms of cargo movements was drastically reduced.

## CONCLUSION

Sri Lanka, a plantation economy with a relatively a small population of about 15 million cannot hope to attract a large volume of shipping to its shores through its merchandise trade alone. Hence, Colombo essentially has to concentrate more on the transshipment trade to maintain its leading position in South Asia. However, the past and present trends indicate that

Table 11.

Container Throughput (TEU'S) at Bombay and Colombo, 1979-1985

Year	Bombay	Colombo
1977	5,472	N.A.
1978	13,599	8,543
1979	38,820	17,680
1980	77,832	41,622
1981	101,281	57,806
1982	131,900	103,243
1983	130,695	142,810
1984	N.A.	181,484
1985	N.A.	215,746

Sources: Port Statistics Series UI, SLPA 1986.  
Containerisation International February 1984.

TABLE 12

TRANSHIPMENT CARGO - COLOMBO CONTAINERISED PROPORTIONS, 1976 - 1985

Year	Total Transshipment tonnage	Tonnage Conventional	Tonnage Containerised	% Containerised
1976	9,455	9,455	N.I.	-
1977	6,662	6,662	N.I.	-
1978	4,871	4,871	N.I.	-
1979	14,275	6,920	7,355	58.5
1980	61,481	4,475	57,006	92.7
1981	49,811	4,580	45,231	90.8
1982	193,622	14,195	179,427	92.6
1983	362,720	8,288	354,432	97.6
1984	595,670	66,516	529,154	87.3
1985	772,018	134,591	637,427	80.5

(Source: Port Statistics, Sri Lanka, Series VI SLPA 1985).

TABLE 13

The distribution of conventional and containerised cargo as a percentage of total dry cargo handled at Colombo 1979 - 1984 (in 000 tons)

Year	Total Dry Cargo	Conventional	Containerised	2 as a % of 1	3 as a % of 1
1979	3006	2832	174	94.2	5.8
1980	3364	3002	362	88.7	11.3
1981	2870	2251	619	78.4	21.6
1982	3320	2285	1035	68.8	31.2
1983	3928	2483	1445	63.2	36.8
1984	4533	2660	1873	58.7	41.3
1985	5135	2884	2251	56.2	43.8

(Source: Port Statistics Sri Lanka, Series VI SLPA 1985).

this branch of Colombo's trade will continue to grow and it is conservatively estimated that by 1990 it will reach 1,480,000 tons. But with confidence it could be placed even higher in view of Sri Lanka's strategic position and the progressive port

policies followed. Besides, the acute congestion and poor port facilities in most regional ports too will act in Colombo's favour. The construction of Nhava-Sheva, the new port to ease congestion at Bombay, for example, was started in 1984 and scheduled to be completed in 1987 will provide berths to handle container ships of 1300 to 1400 TEU capacity only. Then, given the world wide trend towards rationalised service schedules using ever larger and more costly containerhips intolerant of inefficient port operations, feeder services will play an increasingly important role in the future. Colombo with preparations ahead in anticipation of such developments in the shipping world will undoubtedly enhance its position as a base port in South Asia.