



Photo: Maldives Ports Limited

MPL IMPLEMENTS CHANGES ON CONTAINER SHIFTING REQUEST

MPL has announced changes for their service on “container shifting request” effective 1st December 2020. According to the notice published by MPL on 22nd November 2020, customers can only request for shifting of container via “MyBandharu” portal only if the following steps are completed.

- BL (Delivery Order) is approved by shipping agent via online system.
- Clearing agent is selected via online system.
- MPL handling wharfage charges are paid.

IMPORT & EXPORT VOLUMES DROP IN OCTOBER 2020

IMPORT-EXPORT REVENUE DOWN BY 41% IN OCTOBER 2020 VS OCTOBER 2019

Import and export volumes in Maldives have dropped significantly by 23% and 24% respectively in October 2020, compared to the previous month. As represented in the table below, a total of 2479 TEUs were imported to Male’ in October 2020, which is a drop of 23% compared to 3237 TEUs imported in September 2020. Furthermore, a total of 156 laden TEUs were exported from Male’ in October 2020, which is a drop of 24% from 207 laden TEUs exported in September 2020.

Additionally, Maldives Customs Service stated that import-export revenue for October 2020 has decreased drastically by 41% compared to the same period last year. A total of MVR 295 million was collected as import-export revenue in October 2019, while only MVR 174 million was generated in October 2020 as import-export revenue.

CARGO IMPORT AND EXPORT OCTOBER 2020 MALE’ COMMERCIAL HARBOUR

IMPORT LADEN		EXPORT LADEN	
20 FT CONTAINER	1,142	20 FT CONTAINER	80
40 FT CONTAINER	541	40 FT CONTAINER	3
20 FT REEFER CONTAINER	37	20 FT REEFER CONTAINER	16
40 FT REEFER	109	40 FT REEFER	27

TUNA EXPORTS INCREASES GRADUALLY DESPITE ONGOING PANDEMIC

Fishing and exports of tuna products are the second most significant contributor to the country's GDP in the Maldives, after Tourism. The nation's economy is heavily reliant on tuna exports, even more so after the global pandemic of COVID-19 which led to the closure of international borders and tourist establishments for nearly two months in mid-March 2020.

However, fish exporters in Maldives faced huge challenges due to the pandemic, as demand for raw fish exports to Europe and Far East decreased drastically during the second and third quarters of 2020. This was mainly because of the global slowdown of economic activities such as closing down of restaurants and hotels in foreign countries with the COVID-19 outbreak. Nevertheless, canned fish exports to various destinations were maintained without disruption. Furthermore, major exporters in the country faced huge challenges as international flights to Maldives were halted with the closing down of airports, eliminating the option of tuna exports via air freight.

Nine months since the lockdown was first imposed in Male', the country's economy is slowly starting to recover after the border was re-opened for international flights and tourists. Also, tuna exports from Maldives are gradually increasing and the government are taking measures to revive the fisheries industry. Hence, discussions were held on promoting seafood exports



from Maldives to India on 4th November 2020 at the consultative meeting organized by the Federation of Chambers of Commerce and Industry (FICCI) India, Cochin Port Trust and the High Commission of India. This meeting was held after the inauguration of Cargo Ferry Service between Tuticorin-Cochin-Male'-Kulhudhuffushi in September 2020, which could enable key partnerships and cross-border investments.

As we celebrate Fisherman's day in the Maldives on 10th December, it is important to highlight and applaud the hard work of everyone working in the fishing industry of the Maldives, especially the fisherman who spend days and weeks on the sea away from their families to sustain their livelihoods, while also hugely contributing to the country's economy.

COLOMBO PORT CONGESTION LEADS TO DELAYS AND RATE HIKES

Colombo is one of the major transshipment hubs in South Asia that handles around 600,000 TEUs per month. However, the recent Covid-lockdown imposed has led to the reduction of port's workforce by 30%, which significantly decreased crane productivity and inter-terminal trucking. This has caused congestion at the Colombo port since early October with a backlog of 50,000 TEUs, impacting supply chains in neighboring countries as transshipment cargo continues to idle inside the port.

As a result, regional feeding and connectivity has been greatly disrupted, and carriers were forced to discharge containers in India, Singapore, and Dubai. Furthermore, freight rates from Colombo have doubled and shippers now have to book up to eight weeks in advance to get a slot. Also, several freight forwarders had to face increased costs and transit times as certain emergency shipments had to be airlifted or shifted to a third port for connection. Although Colombo port handled 7.2 million TEUs in 2019, throughput is expected to decrease by 10 to 20% in 2020.



Industry Professional

Interview of



Mr. Mahesh Delgahapitiya

Head of AGLN / GO MALDIVES

How did you begin your career in the shipping industry, and please share your experience of working in the Maldives freight industry?

"Well, I have never anticipated to be a shipping professional as I started my carrier as a hotelier, however in year 2000 I joined as a trainee executive at Malship group of companies in Sri Lanka which is one of the oldest and pioneer shipping companies in Sri Lanka. Malship Ceylon was the Sri Lanka agent of the late Maldives National shipping line (Maldives national carrier). The 17 years of my diversified shipping, Freight forwarding & logistics experience and professional qualifications in Sri Lanka succour me to focus myself to work in overseas.

It has been nearly 3 years I am working in Maldives and within short span of time I was able to understand the maldives culture and the other micro factors, hence we don't foresee any difficulties in managing business here in maldives as conditions are almost similar to Sri Lanka.

As per my observations and analysis Maldives freight industry is very much price sensitive and highly competitive as number of freight forwarding companies are par excess than the market size and impact heavily on decreasing freight rates and create stringent demand in the industry which is favorable to the freight market. I highly believe that there should be highly governing institute to be established in Maldives with the government intervention to protect the industry."

As the freight forwarding industry is highly competitive in the Maldives, how do you cope in the market with several import/export businesses down this year due to the pandemic?

"2020 is one of the hardest year economically hit by the covid pandemic to the whole shipping and aviation industry which is worse than the global recession in 2008. However, as a business unit we always focus to minimizing loses and trade effectively to leverage business in the break-even point.as mentioned earlier as a nature maldives freight market is very much price sensitive and you have to proactive and strategize with your unique proposition selling tools to gain the competitive advantage rather penetrating the market in this difficult days."

Lastly, we are experiencing huge delays in import and export shipments due to congestion in Colombo port, how could this impact your business as a freight forwarder?

"It is prudent that Colombo is one of the main hubs for sea freight in & out of Maldives and congestion in Colombo port had disturb heavily on Maldives value chain. As a result, we are experiencing delays of production as well as sourcing of raw materials to avail final products and services. Therefore, as a forwarder we have to expedite our self to monitor the developments and assist our customers on regular basis. In other hand as a forwarder we found that considerable drop of import volumes due to Colombo port congestion & I am sure this congestion won't be last long and will overcome within short period of time."

AGLN handles a significant share of tuna export shipments from Maldives via air and sea freight, what was the impact of the pandemic on your tuna export operations?

"As a Business unit we are experience many obstacles that beyond our control to meet our customer expectations. In terms of Tuna exports by Air we foresee and undergoing huge shortage of space especially lack of carrier options due to fact that non-resuming of regular flight schedules out of Male and we compelled to pay extra ordinary Air freight rates to the carriers and which impact on shrinking margins to us and our customers vice-versa. However, at currently we can see considerable increase of Sea freight volumes out of male due to lack of air options and which is a rosy picture during this pandemic period and we expect things will be improve in coming months."

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