



**The Chartered
Institute of Logistics
and Transport**



COVID-19 UPDATE - SRI LANKA

Chronology of Events

A 22-member National Action Committee was set up by the President to prevent the spread of coronavirus in Sri Lanka on the 26th of January. On 27 January, the first confirmed case of the Corona virus was reported in Sri Lanka, a Chinese woman who arrived as a tourist with another group of travellers, and she was detected at the BIA airport departure terminal during screening, having a high fever and was admitted to the National Institute of Infectious Diseases (IDH). She fully recovered and left hospital on 19 February. Then 33 Sri Lankan students and families were evacuated from Wuhan on 1 February and kept under quarantine at a military facility before being released after two weeks quarantine period on 14 February. Since the first week of March, passengers arriving from Italy, Iran, or South Korea were required to be quarantined for two weeks at two facilities. Separate departure gates were assigned for passengers arriving from these affected countries. Following the first reported case of coronavirus in Sri Lanka on 27 January, demand for face masks in the country soared and the country began to face a mask shortage. Some pharmacies in the country had sold all face masks and there were reports from customers that facemasks were being sold at over ten to twenty times the original price. As a result, the country's drug regulatory agency introduced price controls on face masks.

On 10 March, the first Sri Lankan local national tested positive for COVID-19, a tour guide working with a group of Italian tourists. The schools and Universities were closed on 13th March till 19th April. Cinemas, entertainment centers, malls, museums, private tuition classes and mass gatherings were prohibited from 16th March onwards until further notice. The government also banned the arrival of travellers from several countries in Europe and extending this to the UK on 15 March. The travel ban was also imposed to foreign travellers from India, South Korea and Iran. [Sri Lankan Airlines](#) cancelled several scheduled flights from several countries including India amid coronavirus fears. On 17 March 2020 midnight, the government ordered travel restrictions to Canada, Bahrain and Qatar. The landing of aircraft was also suspended for two weeks with immediate effect from 19 March until 25 March at BIA airport except the arrival of cargo. On 22 March, the government banned the arrival of all incoming passenger ships and planes. The [Sri Lanka Army](#) built forty-five quarantine centers in the country as a preventive measure to tackle the pandemic.

National Operation Center headed by the Commander of the Army to manage Covid-19 was set up on 16th March. Government also set up a Presidential task force to

coordinate and monitor the delivery of continuous services for the sustenance of overall community life.

1. How has the Covid-19 crisis hit the transport and logistics industry in your country and what are the key challenges?

The government announced a public holiday initially on 16th March, which was then converted to a 3-day work from home period and finally enforced a lock down style curfew for the entire country from 20th March to date. Curfew was lifted for few hours to get cash, buy provisions and medicines only once during this period for the 5 out of 25 districts that have been considered hot spots.

Airport and seaports are operating only for cargo and passenger arrivals are barred. Logistics and transport have been gazetted as one of the 22 essential services. Initially only cargo belonging to HS code 1-40 was allowed for clearance. Later to ease off the port congestion, other categories were allowed for clearance. Government in consultation with the port operators gave a wave off for storage charges and rent from 16th March till the curfew is lifted.

In view of curfew, obtaining curfew passes, public transport was not functioning as normal, hence getting personnel for transport goods and related services were suboptimal which led to huge delays in cargo clearance and approvals from government authorities, banks not operating in full flow etc. Shipping lines have not waived off liner demurrage and discussions are on going with shipping companies for a waive off. After the initial hick ups, port operations are gaining momentum slowly.

In view of the curfew home deliveries had to be fast tracked. Food and medicine supplies to homes got severely impacted due to limitations faced by super market chains due to panic buying which led to the breakdown of ecommerce platforms and issues in last mile delivery. Government owned Cooperative Wholesale store (CWE) tied up with a homegrown mobility provider PickMe to do home deliveries to the densely populated Western province initially with some success. Stock replenishment was hampered as factories were closed in view of workers returning to their homes, as the owners of lodging houses have not allowed them to stay during curfew period. Some local players who emerged during this period with new delivery mechanisms failed to sustain the services as supply lines got affected due to replenishment issues. SL's modern trade is 20% of the trade and e-commerce is only 0.4% of retail sales, their capabilities were severely tested during this crisis.

Also the demand for face masks in the country increased and a severe mask shortage was experienced and government agency enforced a maximum price for masks.

2. What are the lockdown effects on business relationships and business models?

In SL, SMES account for 75% of the enterprises, 45% of employment and their contribution to GDP is 52%. Informal sector employs 48% of the population and

their contribution to the GDP is 40%. In view of the curfew, daily wage earners (1.7 million) and self-employed (2.5 million) are severely affected. Concessionary loan facilities were offered to them, however; it is not a significant amount. Sri Lankans celebrate their New Year festival in April and there is a spike in demand during this period and curfew is going to have a full impact due for businesses and individuals. Travel and tourism industry which was slowly bouncing back after the Easter Sunday attack has got a double blow in view of this outbreak.

Government permitted people engaged in agriculture, small-scale tea production facilities as well as export crops and fishing industries to carry out their activities with strict enforcement of health guidelines.

Distribution of bumper harvest from farm to the consumption locations got severely hampered in view of restrictions due to inter district travel, although government has allowed movement of produce. In view of labour shortages and people movement challenges with police strictly enforcing curfew rules, distribution is not happening optimally.

3. To what extent have businesses and organizations been able to change their operational response already to manage through the Covid-19 period?

- Working from home as a way of working for both public and private sector
- Training providers conducting webinars and online study programs
- Individuals and organizations conducting free webinars for their employees
- Salary cuts by private sector companies and laying off non essential staff
- Hotels were given to the government as quarantine facilities
- Mindset change to shift from trading to manufacturing
- Manufacturers shifting to produce Covid-19 related medical devices and items (ventilators, PPEs, ICU beds, testing kits, sanitization chambers, sanitizers etc.,)
- Import substitution through localization
- Small local mom and pop stores doing home deliveries
- Mobile banking to the door step
- Renewed drive towards innovation for health sector
- Postal service linking up with the government hospitals to supply medicine to registered patients
- Use of WhatsApp for order management for grocery, medicine and fresh produce to cope up with demand spikes by supermarkets and small shops
- Free seed delivery by government to promote home gardening to ensure food security
- Pensioners were picked from their homes to the bank and brought back after getting their pensions and medicine purchase by the military
- Sri Lanka POST joining hands with Government hospitals for last mile delivery to serve their registered patients with their medicine supply
- Consumer Affairs Authority carrying out monitoring to ensure fair practices
- Public universities starting on-line teaching and examinations

- PickMe (A Sri Lankan equivalent to Uber) starting grocery and fresh produce delivery to door steps by tying up with retailers
- Mobile service providers providing free data for a period for students using their e-learning services
- Public university students were given free data services for on-line access to Learning Management Systems
- Staff in Public University systems provided with free Zoom facility to conduct lectures
- Discontinuing temporary staff & putting on hold contractors and consultants
- Freezing capital expenditure
- Mobilizing the Public Health inspectorate to support self isolation, tracking and tracing with close follow up and issue of a certificate post completion of quarantine period
- Military and Police intelligence used for tracking and tracing
- Strict enforcement for curfew violations
- Use of military bands to entertain people in housing estates
- Quarantine centers managed by military to isolate overseas returnees and first level contacts to contain the spread
- PCR Testing facilities to be enhanced to facilitate 3000 tests per day
- Rapid testing methods and options being evaluated; Stratified pooling of samples, point of care testing, centralized testing etc.,
- One hospital dedicated to test new equipment (eg: AGVs) and facilities
- Media organizations, individuals, groups and companies collecting funds and dry ration packs to support low income families and daily wage earners
- Collect funds to support already stressed health service which is free in SL

4. What help and support is being given in your country by government, CILT or other trade bodies? How can B2B and CILT play a role in overcoming the Covid-19 challenges?

After 137 years, the oldest tea auction in the world conducted the e-auction with the support of Tea traders and Exporters association on 4th April.

Trade bodies are lobbying the government to request concessions and to relax curfew laws to enable reactivation of the operations to revive the economy. CILT has not got directly involved in lobbying the government, but our corporate partners and members through their organizations are engaged in ensuring commercial activities. CILT's role is mainly advisory in nature by engaged in conducting webinars and in organizing donations.

Government has set up a Presidential task force to coordinate and monitor the delivery of continuous services for the sustenance of overall community life as follows:

- Provide facilities required by farmers for farming activities for the production of paddy, cereals, vegetables, fruit, fish, meat, milk and eggs, as well as plantation products such as tea, cinnamon and pepper.

- Organize and operate government owned Lanka Sathosa and cooperative network and support the private retail network (Cargills, Keells, Arpico and Laughs) to supply agricultural products direct to customers
- Operate the distribution mechanism to supply farm products received at Economic Centers to customers in those areas as well as in towns at the household level.
- Coordinate with Sri Lanka Ports Authority, Sri Lanka Customs, Corporate Banking Sector and other Government regulatory agencies and take necessary action to facilitate the import of essential foods and drugs as well as the export of tea, sanitary clothing etc.
- Provide fuel, security, banking assistance for transport of rice, coconuts, tea, animal feed, domestically produced sanitary clothing and food.
- Provide health and sanitation facilities to drivers and assistants of vehicles such as lorries, three-wheelers, buses and motor cycles transporting essential services and goods to customers, and keep selected fuel stations of Ceylon Petroleum Corporation open during curfew hours to supply them with fuel.
- Direct and provide facilities to Agriculture Department, Agrarian Services Department, Samurdhi Authority, Cooperative Farmer Societies, Farmer Organizations, and private seed production organizations to supply seed, seedlings, fertilizer and machinery for farming activities.
- Direct officials engaged in rural projects to encourage seed farms, popularize organic fertilizer use and encourage production of home crops, and as far as possible, popularize home gardens as a supply for self-consumption.
- Direct and take measures to provide required loan facilities to farmers via Bank of Ceylon, People’s Bank, Regional Development Banks and Samurdhi Bank branches.
- Implement appropriate measures for waste disposal in rural and urban areas and maintain continuous electricity and water supply services.
- Take steps to focus special attention on women, low-income families and persons directly at risk when undertaking above measures.
- Ensure that all bank branches remain open for a minimum of 04 hours a day utilizing minimum staff to provide essential banking services to customers.

CILT intends to conduct a “ideathon” to get views from membership to overcome the challenges and how members and CPs can volunteer to support in the government efforts by being part of taskforces and sharing best practices and sources for immediate health supply challenges and in the economic recovery phase.

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