

**EVALUATING THE COMPETITIVENESS OF A PORT FOR
CONTAINER TRANSSHIPMENT OPERATION: A CASE
STUDY OF HAMBANTOTA PORT**

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ABSTRACT

The Port of Hambantota is strategically located along the East-West main sea route, with an approximate deviation of ten nautical miles. Most of the current business at the Port of Hambantota relies on automobile roll-on/roll-off, breakbulk, bulk, and project cargo operations. Furthermore, container ship handling operations are also expected to start at the port of Hambantota. Therefore, this study evaluates the competitiveness of the Port of Hambantota as a container transshipment hub in the South Asian region. The study considers both mainline-to-feeder and mainline-to-mainline transshipment operations. The six competing ports that were considered for the study are the Port of Jebel Ali and Port of Salalah in Southwest Asia; the Port of Colombo in South Asia; and the Port of Singapore, Port of Tanjung Pelepas, and Port Klang in Southeast Asia. The competitiveness analysis is based on market share using an extended version of the generalized cost approach combined with a discrete choice model. Senior managers attached to the main container line agency officers in Sri Lanka evaluated the selection criteria for transshipment hub ports and the performance of competing hubs. Further scenario analysis was conducted to understand the potential implications for the transshipment business at the Port of Hambantota. The results indicate that the Port of Singapore has the highest potential to become the market leader in the South Asian region for both types of transshipment operations, despite the presence of the Port of Hambantota. However, the findings also suggest that the Port of Hambantota possesses significant potential for both types of transshipment operations, provided there are continuous improvements in port performance.

Keywords – Port of Hambantota, Transshipment, Generalized Cost, South Asia, Port Development, Port Competitiveness

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LIST OF ABBREVIATIONS

RoRo	Roll-on/Roll-off
LoLo	Lift-on/Lift-off
ISO	International Organization for Standardization
DG	Dangerous Cargo
OOG	Out of Gauge
VAS	Value Added Services
SLPA	Sri Lanka Ports Authority
HIPG	Hambantota International Port Group
CICT	Colombo International Container Terminals
IT	Information Technology
UDC	Unit Distance Cost
LKHBA	Port of Hambantota
LKCMB	Port of Colombo
MYWSP	Port Klang
MYTPP	Port of Tanjung Pelepas
SGSIN	Port of Singapore
OMSLL	Port of Salalah
AEJEA	Port of Jebel Ali
AvSS	Average Significance Score
AvAS	Average Appreciation Score
VOT	Value of Time
USP	Unique Selling Proposition