

**THE FEASIBILITY OF AN MCC MODEL FOR  
FAR EAST–EUROPE/USA TRADE LANES OF  
GLOBAL RETAILERS BY TAKING SRI LANKA  
AS THE HUB COUNTRY**

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## **ABSTRACT**

Sri Lanka is a country which is uniquely and strategically located in the maritime silk route, and known as the pearl of the Indian Ocean. However, no any government or private entity in the recorded history from 1948 has understood the real value of this natural heritage and act upon it to utilize the resources and to bring out the true benefit to the nation. When considered the size of geography, population, and the technological advancements in Sri Lanka one can clearly identify and accept that the country can hardly compete with the developed and industrialized nations who have achieved superiority in production capacities and export generation. Production and export generation are the only means of economic development and wellbeing for a country. Countries like Singapore has already shown the answers for this question by utilizing the limited resources of their country in to a fortune by establishing manufacturing units, managing millions of TEU's of transshipments by means of bonding, value addition and Multi Country Consolidation (MCC).

The Far East – Europe/USA trade lane passes Sri Lanka in close proximity to the port of Hambantota carrying 2/3 of containerized cargo volume destined to the giant retail stores in Europe and USA. But unfortunately around 90% of such cargo bypasses our country as non-value added merchandize directly exported from Far East and South East Asia to Europe and Americas. The value addition processes of these imports are carried out at the destinations with high expenditure of service charges and unnecessary lead time. In this thesis proposes a Multi Country Consolidation model for this trade lane by taking Sri Lanka as the hub country to implement consolidations, relevant value additions and finally the transshipment of merchandize. And also, the further research is conducted to validate this model by proving the feasibility of improving the overall cost efficiency and reducing the total average lead time. A thorough comparison is presented between the existing direct trade lane process and the proposed MCC hub model to prove the advantages of the proposed process.

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## **LIST OF ACRONYMS**

CFS – Container Freight Station

MCC – Multi Country Consolidation

GTL – Global Transportation and Logistics (PVT) Ltd

MAC SC – MAC Supply Chain Solutions (PVT) Ltd

GRN – Goods Received Note

GDN – Goods Dispatched Note

CDN – Cargo Dispatch note

SLPA – Sri Lanka Ports Authority

CUSDEC – Customs Declaration

VAS – Value Addition Services

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