

Abstract

As a consequence of growth in the international trade, shipping and logistics also has a trend of growing in importance all over the world. However it is at a very nascent stage in Sri Lanka, though a few domestics and multinational shipping agencies are trying to establish themselves in the sector. This paper focuses on several issues such as how to enhance economic performance of a shipping agency in Sri Lanka in adopting logistics function such as, warehousing and transportation, usage of 3PL and in-house operations, reasons for outsourcing or non outsourcing and critical factors to determine the best operating method of selected logistics function. Paper also reveals how to use transportation and warehousing in order to achieve economic improvement with the concentration of total handling cargo volume. Also the study proposes a selection and evaluation criteria for operation method of transportation and warehousing considering critical factors.

Key words: Shipping agency, logistics, warehousing, transportation, 3PL, outsourcing

