

Sri Lanka Freight And Logistics - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2026 - 2031)

Market Report | 2026-02-09 | 150 pages | Mordor Intelligence

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Report description:

Sri Lanka Freight And Logistics Market Analysis

The Sri Lanka freight and logistics market is expected to grow from USD 7.78 billion in 2025 to USD 8.11 billion in 2026 and is forecast to reach USD 10.01 billion by 2031 at 4.3% CAGR over 2026-2031. This trajectory underscores the pivotal role of the Sri Lanka freight and logistics market in the Indian Ocean's maritime corridors as port expansions, integrated logistics parks, and end-to-end digital customs platforms raise operating efficiency and throughput. Modernization at Colombo and Hambantota, the move toward value-added warehousing, and a surge in cross-border e-commerce collectively reinforce revenue growth, while supportive trade agreements diversify shipment profiles and encourage new third-party logistics models. Strategically, operators that embrace data-driven route optimization, partner with integrated port-park clusters, and hedge against currency volatility are best positioned to capture incremental volumes and margin improvements.

Sri Lanka Freight And Logistics Market Trends and Insights

Expansion of Regional Transshipment and Hub Port Status Boosts Connectivity

Sri Lanka's central location on East-West trade lanes positions the Sri Lanka freight and logistics market to absorb cargo diverted from congested regional hubs. The development of the Eastern Container Terminal and the USD 800 million Colombo West International Terminal adds 3.6 million TEU of annual capacity, enabling carriers to deploy larger vessels and cut turnaround times. Competitive feeder tariffs and synchronized hinterland connections bolster throughput, although maintaining low service

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charges remains essential vis-a-vis Singapore and Dubai. Hambantota complements Colombo by providing deep-draft alternatives for energy cargoes and vehicle transshipments, thereby broadening route flexibility and lowering congestion risk during peak seasons.

Growing Investment in Integrated Logistics Parks and Inland Container Depots (ICDs)

Integrated logistics parks that blend bonded warehousing, customs, distribution, and light processing are shifting revenue pools away from pure port handling toward bundled supply-chain solutions. Initiatives in Horana and Muthurajawela connect directly to expressways and rail spurs, reducing container dwell times and easing Colombo gate congestion. Operators exploit shared infrastructure, ro-ro ramps, value-added packaging lines, and 24/7 customs outposts to improve asset utilization and service differentiation. The chief hurdle remains high upfront capital outlays; nevertheless, PPP structures with 30-year concessions are unlocking foreign direct investment and stabilizing tariff trajectories for tenants.

High Port and Logistics Service Charges Continue to Challenge Competitiveness

Elevated terminal handling, storage, and ancillary tariffs erode cost competitiveness and divert relay cargo toward cheaper hubs. While new automation lowers per-box operating costs, recoveries are frequently passed to users through higher published tariffs, negating efficiency gains. Currency depreciation aggravates the issue because most fees are dollar-denominated. Without a calibrated tariff regime, volume growth may stall despite capacity expansions.

Other drivers and restraints analyzed in the detailed report include:

Rising International Trade Flows Driving Market Demand
Colombo Port City SEZ Incentives Attract Strategic Business Investments
Currency Depreciation and Rising Import Costs Impact Margins

For complete list of drivers and restraints, kindly check the Table Of Contents.

Segment Analysis

Wholesale and retail trade captured 33.52% of the Sri Lanka freight and logistics market share during 2025; whereas the manufacturing industry is forecast to progress at a 4.96% CAGR (2026-2031), supported by export-processing zones, electronics assembly, and apparel value-addition. This pace outstrips wholesale and retail trade, which, although still the largest, advances more modestly on maturing urban consumption. Oil & gas, mining, and quarrying are anchored in petroleum imports and mineral exports that require specialized handling. Construction activity hinges on port and highway projects that simultaneously raise logistics demand and improve network reach. Agriculture, fishing, and forestry contributed the least, with cold-chain uptake expanding on seafood exports. Collectively, these dynamics diversify revenue streams within the Sri Lanka freight and logistics market and limit overreliance on any single end-use cluster.

Further momentum arises from FDI-funded industrial parks that leverage tariff-free inputs under new FTAs. Multinational OEMs appoint local 3PLs for inbound raw-material consolidation, stitched apparel returns, and regional parts distribution, broadening contract durations. Service providers integrate quality inspection, JIT inventory feeds, and bonded consolidation into single invoices, expanding wallet share. E-commerce is also reshaping wholesale distribution, as omnichannel retailers outsource fulfillment and returns management, boosting nationwide LTL and last-mile volumes. Consequently, higher manufacturing activity multiplies cross-dock moves, pallet rentals and temperature-controlled transfers, underpinning resilient capex in warehouses and fleet renewals.

The freight transport segment commands 64.12% of the revenue share in 2025 because transshipment volumes flow chiefly

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through trucking haulage, feeder shipping, and barge moves. Concurrently, courier, express, and parcel (CEP) is expected to grow at a 5.20% CAGR during 2026-2031, supported by digital retail momentum and SME exports. Freight forwarding sustains relevance by navigating complex rules-of-origin matrices and multi-port itineraries.

Stakeholders redouble focus on service bundling: transport providers add customs desks, while forwarders lease buffer warehouses, morphing into lead-logistics players. Warehouse capacity constraints spur mezzanine retrofits, automated vertical lifts, and satellite cross-docks to extend service footprints nearer consumption nodes. Integrated contracts that guarantee door-to-door lead times lure manufacturers seeking single-invoice solutions. As a result, the lines between traditional freight transport, forwarding, and value-added services blur, fostering scale advantages for omnichannel operators.

The Sri Lanka Freight and Logistics Market Report is Segmented by End User Industry (Agriculture, Fishing, and Forestry, Construction, Manufacturing, Oil and Gas, Mining and Quarrying, Wholesale and Retail Trade, and Others) and by Logistics Function (Courier, Express, and Parcel (CEP), Freight Forwarding, Freight Transport, Warehousing and Storage, and Other Services). The Market Forecasts are Provided in Terms of Value (USD).

List of Companies Covered in this Report:

A.P. Moller - Maersk Abans Group (Including Abans Logistics Pvt, Ltd.) Aitken Spence Group (Including Ace Express International Pvt., Ltd.) CMA CGM Group (Including CEVA Logistics) Dart Global Logistics (Pvt), Ltd. DHL Group DSV A/S (Including DB Schenker) Eagle Logistics Empire Ceylon (Pvt), Ltd. Expolanka Freight (Pvt), Ltd. Fast Transit Logistics (Pvt), Ltd. FedEx Freight Links International Pte, Ltd. Gulf Agency Company (GAC), Ltd. Hayleys Advantis, Ltd. Hemas Holdings PLC (Including Hemas Logistics) John Keells Logistics (Pvt), Ltd. Kintetsu World Express, Inc. (Including APL Logistics, Ltd.) Kuehne+Nagel McLarens Logistics Group SLFFA Cargo Services, Ltd.

Additional Benefits:

The market estimate (ME) sheet in Excel format
3 months of analyst support

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