

THE IMPACTS OF SELECTED IMPORTED COMMODITIES ON MARITIME TRANSPORTATION COST IN SRI LANKA

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Insurance and freight costs are terms used in international trade and apply only to goods shipped by sea. Sri Lanka Customs is the oldest department involved in the import of goods into Sri Lanka. The purpose of this study is to identify the factors affecting the shipping costs of various types of essential commodities imported into Sri Lanka. Daily data for the period 2020 to 2021 were obtained from the National Valuation Database Unit of Sri Lanka Customs to examine the relationship between factors (such as distance between two ports, supply quantity of commodities, origin city, and type of packaging) and transport costs using multiple linear regression model. Based on the results of this study, the distance between two ports has a positive and significant effect on the maritime transport cost of imported goods, while the supply quantity of commodities and most of the origin cities (India, Thailand, USA, and Vietnam) have a negative and significant effect on the maritime transport cost of imported goods. However, some types of packaging (butt and carton) have a significant positive and negative effect on maritime transport cost of imported goods respectively. The fitted multiple regression model is very helpful for Sri Lanka to understand the factors affecting the import of goods and reduce unnecessary expenditure.

Keywords: *Import, Freight, Maritime, Multiple linear regression, Transport cost*